

Sprott | 2024 Second Quarter Report

Contrarian. Innovative. Aligned.

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Dear fellow shareholders,

Q2 2024 Review

We are pleased to report that during the second quarter of 2024, Sprott's Assets Under Management ("AUM") increased to \$31.1 billion, up 6% from \$29.4 billion as at March 31, 2024 and up 8% from \$28.7 billion as at December 31, 2023. Subsequent to the quarter end, on August 1, 2024, AUM stood at \$31.5 billion.

Last year, our net income benefited from the realization of an \$18.6 million non-recurring asset. Consequently, our net income this quarter of \$13.4 million (\$0.53 per share) was down 25% from \$17.7 million (\$0.70 per share) for the three months ended last year. On a year-to-date basis, net income was \$24.9 million (\$0.98 per share), down 2% from \$25.4 million (\$1.00 per share) last year. Excluding the impact of last year's realization of a non-recurring asset, our second quarter net income was up \$14.2 million, and up \$18.1 million for the six months ended June 30, 2024.

Adjusted base EBITDA was \$22.4 million (\$0.88 per share) in the quarter, up 25% from \$18 million (\$0.71 per share) for the quarter ended June 30, 2023 and \$42.1 million (\$1.66 per share) on a year-to-date basis, up 19% from \$35.3 million (\$1.40 per share) for the six months ended June 30, 2023. Adjusted base EBITDA on both a three and six months ended basis benefited from higher management fees on improved market valuations in our precious metals exchange listed products, higher commission income on increased ATM activity in our critical materials exchange listed products and higher finance income in our private strategies segment due to higher streaming syndication fees.

Our AUM continues to grow as gold and silver gained 4.3% and 16.7% respectively during the period, while uranium prices pulled back by 3.2%. After more than four years of positive net sales, we started 2024 with \$284 million of net redemptions in the first quarter. This quarter, we returned to positive net sales with \$357 million of net inflows and an additional \$110 million from the recent initial public offering ("IPO") of the Sprott Physical Copper Trust ("COP"), bringing our net sales in the first half of the year to \$183 million, inclusive of the COP IPO.

Critical Materials

The most important development during the period was the IPO of COP. The launch of this new trust was a strategic priority for Sprott and the latest addition to our critical materials investment strategies. As the world's first physical copper fund, COP is designed to provide investors with an alternative to investing in copper futures and a way for institutions and individual clients to complement their equity positions. In this challenging environment for new listings, the successful launch could not have happened without the support of our existing clients and shareholders.

We recently marked the third anniversary of the Sprott Physical Uranium Trust ("SPUT"). Since its launch in July of 2021, SPUT's holdings have increased from 18 million pounds of physical uranium to more than 65.5 million pounds. Over this time, SPUT's net asset value has grown from approximately \$600 million to approximately \$5.6 billion as at June 30, 2024. SPUT is now the world's largest physical uranium fund and has delivered a cumulative return of 150.9% to investors since inception.

The success of SPUT and our uranium miners ETFs has helped Sprott build a global brand as a leader in critical materials investments. This has resulted in an impressive network of institutions, family offices and individual investors seeking access to these investment strategies. We are confident that COP will continue to scale as we begin to engage with this audience, as well as the larger generalist funds that are increasingly seeking exposure to copper and critical materials investments.

Precious Metals

Gold and silver performed well in the first half of 2024. Gold recently reached a new record high of \$2,484 before retreating below \$2,400 as at June 30 on profit taking. Silver achieved its highest quarterly close since Q3 2012 at \$29.14, buoyed by gold's move, global monetary expansion policies and demand from the photovoltaic sector. We continue to note that the series of new highs set in 2024 have been reached with limited investor participation in the precious metals sector. As our market strategist, Paul Wong put it: "Overall, central banks and sovereigns are providing a rising floor price on gold, while investment funds and algorithms are becoming more short-term in their trading patterns, creating short-lived volatility spikes." We continue to believe that a return of interest from investors has the potential to add significantly to precious metals prices and that the most logical path for both metals is considerably higher from here.

Managed Equities

While gold and silver have enjoyed a strong first half of the year, the mining equities have stubbornly lagged the metals themselves.

As stated by Senior Portfolio Manager, John Hathaway: "Gold mining equities continue to trade well below the peak of four years ago, a sign of deeply negative sentiment about the outlook for precious metals. In Western capital markets, gold ownership remains at rock-bottom levels. Disinterest is astonishing in light of the fact that gold has outperformed equities and bonds since 2000, the beginning of central bank radical monetary experimentation."

Despite the lack of investor interest, our actively managed strategies have delivered strong performance this year. Our flagship Sprott Gold Equity Fund was up 21.3% on a year-to-date basis.

2024 Outlook

As of this writing, little has changed from the outlook we presented at the start of 2024. As expected, inflation remained a bit stickier than most had hoped in the first half of the year. While many countries have begun to cut interest rates, in the US, short-term rates are unchanged although expectations have fluctuated wildly over the last six months. Fiscal deficits continue to grow to new recessionary records as a percent of U.S. GDP. Two wars continue with no feasible end in sight. The upcoming U.S. election has been turned on its head by the recent assassination attempt on former President Trump as well as President Biden's decision not to seek re-election. Globally, recent election results reflect a general dissatisfaction with the incumbents.

Fortunately, as noted above, gold prices have responded favorably to these difficult fundamentals, setting new highs, while the miners have reacted less dramatically than we would expect. However, this sector is virtually unowned. It will not take much of a re-allocation from Mega-Cap technology and Artificial Intelligence stocks to create fantastic performance within this group.

Despite some recent weakness, which we expect to be short-lived, the outlook for uranium, copper and their related equities has never been better. We believe our critical materials investment strategies will continue to increase in scale and offer ever improving complement to our precious metals offerings.

We remain confident in our positioning and pleased with our continued asset growth and steadily improving financial performance. Thank you for your continued support. We look forward to reporting to you on our progress in the quarters ahead.

Sincerely,



Whitney George
Chief Executive Officer

Management's Discussion and Analysis

Three and six months ended June 30, 2024

Forward looking statements

Certain statements in this Management's Discussion & Analysis ("MD&A"), and in particular the "Outlook" section, contain forward-looking information and forward-looking statements (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian and U.S. 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 foregoing, this MD&A contains Forward-Looking Statements pertaining to: (i) We continue to believe that a return of interest from investors has the potential to add significantly to precious metals prices and that the most logical path for both metals is considerably higher from here; (ii) our positioning will benefit from a highly constructive operating environment for precious metals, critical materials and their related equities; (iii) our belief that our critical materials investment strategies will continue to increase in scale and offer ever improving complement to our precious metals offerings; and (iv) the declaration, payment and designation of dividends and confidence that our business will support the dividend level without impacting our ability to fund future growth initiatives.

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; (iv) the impact of public health outbreaks; and (v) those assumptions disclosed herein under the heading "Critical Accounting Estimates and significant judgments". 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 resulting in regulatory sanctions or reputational harm; (v) performance fee fluctuations; (vi) a business segment or another counterparty failing to pay its financial obligation; (vii) failure of the Company to meet its demand for cash or fund obligations as they come due; (viii) changes in the investment management industry; (ix) failure to implement effective information security policies, procedures and capabilities; (x) lack of investment opportunities; (xi) risks related to regulatory compliance; (xii) failure to manage risks appropriately; (xiii) failure to deal appropriately with conflicts of interest; (xiv) competitive pressures; (xv) corporate growth which may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (xvi) failure to comply with privacy laws; (xvii) failure to successfully implement succession planning; (xviii) foreign exchange risk relating to the relative value of the U.S. dollar; (xix) litigation risk; (xx) failure to develop effective business resiliency plans; (xxi) failure to obtain or maintain sufficient insurance coverage on favorable economic terms; (xxii) historical financial information being not necessarily indicative of future performance; (xxiii) the market price of common shares of the Company may fluctuate widely and rapidly; (xxiv) risks relating to the Company's investment products; (xxv) risks relating to the Company's proprietary investments; (xxvi) risks relating to the Company's private strategies business; (xxvii) those risks described under the heading "Risk Factors" in the Company's annual information form dated February 20, 2024; and (xxviii) those risks described under the headings "Managing Financial Risk" and "Managing Non-Financial Risk" 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 securities laws.

Management's discussion and analysis

This MD&A of financial condition and results of operations, dated August 6, 2024, presents an analysis of the consolidated financial condition of the Company and its subsidiaries as at June 30, 2024, compared with December 31, 2023, and the consolidated results of operations for the three and six months ended June 30, 2024, compared with the three and six months ended June 30, 2023. The board of directors of the Company approved this MD&A on August 6, 2024. All note references in this MD&A are to the notes to the Company's June 30, 2024 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") in effect as at June 30, 2024, specifically, IAS 34 *Interim Financial Reporting*. Financial results, including related historical comparatives contained in this MD&A, unless otherwise specified herein, are based on the interim financial statements. While the Company's source and presentation currency is the U.S. dollar, IFRS requires that the Company measure its foreign exchange gains and losses through its consolidated statements of operations and comprehensive income using the Canadian dollar as its functional currency. Accordingly, all dollar references in this MD&A are in U.S. dollars, however the translation gains and losses were measured using the Canadian dollar as the functional currency. The use of the term "prior period" refers to the three and six months ended June 30, 2023.

Key performance indicators and non-IFRS and other 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 and non-IFRS and other financial measures are discussed below. For quantitative reconciliations of non-IFRS financial measures to their most directly comparable IFRS financial measures, please see page 10 of this MD&A.

Assets under management

Assets under management ("AUM") refers to the total net assets managed by the Company through its various investment product offerings and managed accounts.

Net inflows

Net inflows result in changes to AUM, and as such, have a direct impact on the revenues and earnings of the Company. They are described individually below:

At-the-market ("ATM") transactions and ETF unit creations

ATM transactions of our physical trusts and new 'creations' of ETF units are the primary manner in which inflows arise in our exchange listed products segment.

Net sales

Fund sales (net of redemptions) are the primary manner in which inflows arise in our managed equities segment.

Net capital calls

Capital calls, net of capital distributions ("net capital calls") are the primary manner in which inflows arise in our private strategies segment.

Other net inflows

Other net inflows include: (1) fund acquisitions, (2) new AUM from fund launches; and (3) lost AUM from fund closures. It is possible for committed capital in our private strategies to earn a commitment fee despite being uncalled, in which case, it will also be included in this category as AUM.

Net fees

Management fees, net of fund expenses, direct payouts, and carried interest and performance fees, net of carried interest and performance fee payouts (internal and external), are key revenue indicators as they represent the net revenue contribution after directly associated costs that we generate from our AUM.

Net commissions

Commissions, net of commission expenses (internal and external), arise from purchases and sales of critical materials in our exchange listed products segment and transaction-based service offerings by our broker-dealers.

Net compensation

Net compensation excludes commission expenses paid to employees, other direct payouts to employees, carried interest and performance fee payouts to employees, which are all presented net of their related revenues in this MD&A, and severance, new hire accruals and other which are non-recurring.

Total shareholder return

Total shareholder return is the financial gain (loss) that results from a change in the Company's share price, plus any dividends paid over the period.

Liquid co-investments

Liquid co-investments are the Company's co-investments that can be monetized in less than 90 days.

EBITDA, adjusted base EBITDA and adjusted base EBITDA margin

EBITDA in its most basic form is defined as earnings before interest expense, income taxes, depreciation and amortization. Adjusted base EBITDA further adjusts for items noted in the below reconciliation table. Adjusted base EBITDA margin is calculated as adjusted base EBITDA from reportable segments divided by net revenues before: (1) gains (losses) on investments, (2) revenues from non-reportable segments; and (3) carried interest and performance fees, net of carried interest and performance fee payouts (internal and external).

EBITDA, adjusted base EBITDA and adjusted base EBITDA margin are measures 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 results in a better comparison of the Company's underlying operations against its peers and a better indicator of recurring results from operations as compared to other non-IFRS financial measures. Adjusted base EBITDA margins are a key indicator of a Company's profitability on a per dollar of revenue basis, and as such, is commonly used in the financial services sector by analysts, investors and management.

Neither EBITDA, adjusted base EBITDA, or adjusted base EBITDA margin have a 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, adjusted base EBITDA and adjusted base EBITDA margin measures are determined:

(in thousands \$)	3 months ended		6 months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Net income for the period	13,360	17,724	24,917	25,362
Adjustments:				
Interest expense	715	1,087	1,545	2,334
Provision for income taxes	5,438	6,057	9,201	8,682
Depreciation and amortization	568	748	1,119	1,454
EBITDA	20,081	25,616	36,782	37,832
Adjustments:				
(Gain) loss on investments ⁽¹⁾	(1,133)	1,950	(2,942)	(8)
Stock-based compensation ⁽²⁾	4,332	3,922	9,023	8,039
Foreign exchange (gain) loss ⁽³⁾	122	1,440	290	1,880
Severance, new hire accruals and other ⁽³⁾	—	4,067	—	5,324
Revaluation of contingent consideration ⁽³⁾	(580)	(2,254)	(580)	(2,254)
Costs relating to exit of non-core business ⁽³⁾	—	1,372	—	1,372
Non-recurring regulatory, professional fees and other ⁽³⁾	—	580	—	1,829
Shares received on recognition of contingent asset ⁽³⁾	—	(18,588)	—	(18,588)
Carried interest and performance fees	(698)	(388)	(698)	(388)
Carried interest and performance fee payouts - internal	251	236	251	236
Carried interest and performance fee payouts - external	—	—	—	—
Adjusted base EBITDA	22,375	17,953	42,126	35,274
Adjusted base EBITDA margin ⁽⁴⁾	58 %	57 %	58 %	57 %

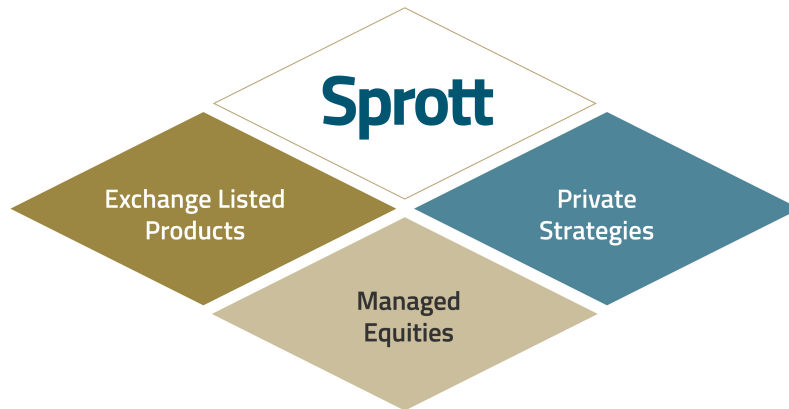
(1) This adjustment removes the income effects of certain gains or losses on short-term investments, co-investments, and digital gold strategies to ensure the reporting objectives of our EBITDA metric as described above are met.

(2) In prior years, the mark-to-market expense of DSU issuances were included with "other (income) and expenses". In the current period, these costs are included as part of "stock-based compensation". Prior year figures have been reclassified to conform with current presentation.

(3) Foreign exchange (gain) and loss, severance, new hire accruals and other; revaluation of contingent consideration; costs relating to exit of non-core business; non-recurring regulatory, professional fees and other; and shares received on recognition of contingent asset were previously included with "other (income) and expenses" and are now shown separately in the reconciliation of adjusted base EBITDA above. Prior year figures have been reclassified to conform with current presentation.

(4) Prior year figures have been restated to remove the adjustment of depreciation and amortization.

Business overview



Our reportable operating segments are as follows:

Exchange listed products

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

Managed equities

- The Company's alternative investment strategies managed in-house and on a sub-advised basis.

Private strategies

- The Company's lending and streaming activities which occur through limited partnership vehicles ("private strategies LPs").

Corporate

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

All other segments

- Contains all non-reportable segments as per IFRS 8, *Operating Segments* ("IFRS 8").

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

Business development and outlook

On June 6, 2024, we launched the Sprott Physical Copper Trust ("COP"), the world's first physical copper investment fund. COP closed its initial public offering for gross proceeds of \$110 million. Subsequent to the quarter-end, on July 8, 2024 COP established an ATM equity program to issue up to an additional \$500 million of trust units. COP was created to provide investors with an alternative to rolling copper futures and a complement to investing in copper mining equities. COP is a closed-end trust trading in U.S. dollars and Canadian dollars on the Toronto Stock Exchange under the symbols "COP.U" and "COP.UN", respectively.

As of this writing, little has changed from the outlook we presented at the start of 2024. As expected, inflation remained a bit stickier than most had hoped in the first half of the year. While many countries have begun to cut interest rates, in the US, short-term rates are unchanged although expectations have fluctuated wildly over the last six months. Fiscal deficits continue to grow to new recessionary records as a percent of U.S. GDP. Two wars continue with no feasible end in sight. The upcoming U.S. election has been turned on its head by the recent assassination attempt on former President Trump as well as President Biden's decision not to seek re-election. Globally, recent election results reflect a general dissatisfaction with the incumbents.

Fortunately, as noted above, gold prices have responded favorably to these difficult fundamentals, setting new highs, while the miners have reacted less dramatically than we would expect. However, this sector is virtually unowned. It will not take much of a re-allocation from Mega-Cap technology and Artificial Intelligence stocks to create fantastic performance within this group.

Despite some recent weakness, which we expect to be short-lived, the outlook for uranium, copper and their related equities has never been better. We believe our critical materials investment strategies will continue to increase in scale and offer ever improving complement to our precious metals offerings.

We remain confident in our positioning and pleased with our continued asset growth and steadily improving financial performance.

Subsequent to quarter-end, as at August 1, 2024, AUM was \$31.5 billion, up 2% from \$31.1 billion at June 30, 2024.

Results of operations

Summary financial information

(In thousands \$)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Summary income statement								
Management fees ⁽¹⁾	38,065	36,372	34,244	32,867	32,940	31,170	28,152	28,899
Fund expenses ^{(2), (3)}	(2,657)	(2,234)	(2,200)	(1,740)	(1,871)	(1,795)	(1,470)	(1,466)
Direct payouts	(1,408)	(1,461)	(1,283)	(1,472)	(1,342)	(1,187)	(1,114)	(1,121)
Carried interest and performance fees	698	—	503	—	388	—	1,219	—
Carried interest and performance fee payouts - internal	(251)	—	(222)	—	(236)	—	(567)	—
Carried interest and performance fee payouts - external ⁽³⁾	—	—	—	—	—	—	(121)	—
Net fees	34,447	32,677	31,042	29,655	29,879	28,188	26,099	26,312
Commissions	3,332	1,047	1,331	539	1,647	4,784	5,027	6,101
Commission expense - internal	(380)	(217)	(161)	(88)	(494)	(1,727)	(1,579)	(2,385)
Commission expense - external ⁽³⁾	(1,443)	(312)	(441)	(92)	(27)	(642)	(585)	(476)
Net commissions	1,509	518	729	359	1,126	2,415	2,863	3,240
Finance income ⁽²⁾	4,084	1,810	1,391	1,795	1,650	1,655	1,738	1,274
Gain (loss) on investments	1,133	1,809	2,808	(1,441)	(1,950)	1,958	(930)	45
Co-investment income ⁽²⁾	416	274	170	462	1,327	93	370	249
Total net revenues ⁽²⁾	41,589	37,088	36,140	30,830	32,032	34,309	30,140	31,120
Compensation ⁽²⁾	19,225	17,955	17,096	16,939	21,468	19,556	17,148	19,044
Direct payouts	(1,408)	(1,461)	(1,283)	(1,472)	(1,342)	(1,187)	(1,114)	(1,121)
Carried interest and performance fee payouts - internal	(251)	—	(222)	—	(236)	—	(567)	—
Commission expense - internal	(380)	(217)	(161)	(88)	(494)	(1,727)	(1,579)	(2,385)
Severance, new hire accruals and other	—	—	(179)	(122)	(4,067)	(1,257)	(1,240)	(1,349)
Net compensation	17,186	16,277	15,251	15,257	15,329	15,385	12,648	14,189
Severance, new hire accruals and other	—	—	179	122	4,067	1,257	1,240	1,349
Selling, general and administrative ("SG&A") ⁽²⁾	5,040	4,173	3,963	3,817	4,752	4,026	3,814	4,051
SG&A recoveries from funds ⁽¹⁾	(260)	(231)	(241)	(249)	(282)	(264)	(253)	(259)
Interest expense	715	830	844	882	1,087	1,247	1,076	884
Depreciation and amortization	568	551	658	731	748	706	710	710
Foreign exchange (gain) loss ⁽²⁾	122	168	1,295	37	1,440	440	(484)	3,020
Other (income) and expenses ⁽²⁾	(580)	—	3,368	4,809	(18,890)	1,249	1,686	3,384
Total expenses	22,791	21,768	25,317	25,406	8,251	24,046	20,437	27,328
Net income	13,360	11,557	9,664	6,773	17,724	7,638	7,331	3,071
Net income per share	0.53	0.45	0.38	0.27	0.70	0.30	0.29	0.12
Adjusted base EBITDA	22,375	19,751	18,759	17,854	17,953	17,321	18,083	16,837
Adjusted base EBITDA per share	0.88	0.78	0.75	0.71	0.71	0.68	0.72	0.67
Summary balance sheet								
Total assets	406,265	389,784	378,835	375,948	381,519	386,765	383,748	375,386
Total liabilities	90,442	82,365	73,130	79,705	83,711	108,106	106,477	103,972
Total AUM	31,053,136	29,369,191	28,737,742	25,398,159	25,141,561	25,377,189	23,432,661	21,044,252
Average AUM	31,378,343	29,035,667	27,014,109	25,518,250	25,679,214	23,892,335	22,323,075	21,420,015

(1) Previously, management fees within the above summary financial information table included SG&A recoveries from funds consistent with IFRS 15. For management reporting purposes, these recoveries are now shown next to their associated expense as management believes this will enable readers to transparently identify the net economics of these recoveries. However, SG&A recoveries from funds are still shown within the "Management fees" line on the consolidated statement of operations. Prior year figures have been reclassified to conform with current presentation.

(2) Current and prior period figures on the consolidated statements of operations include the following adjustments: (1) trading costs incurred in managed accounts are now included within "Fund expenses" (previously included within "SG&A"), (2) interest income earned on cash deposits are now included within "Finance income" (previously included within "Other income"), (3) co-investment income and income attributable to non-controlling interest are now included as part of "Co-investment income" (previously included within "Other income"), (4) expenses attributable to non-controlling interest is now included within "Co-investment income" (previously included within "Other expenses"), (5) the mark-to-market expense of DSU issuances are now included within "Compensation" (previously included within "Other expenses"), (6) foreign exchange (gain) loss is now shown separately (previously included within "Other expenses"); and (7) shares received on a previously unrecorded contingent asset in Q2 2023 are now included within "Other (income) and expenses" (previously included within "Other income"). Prior year figures have been reclassified to conform with current presentation.

(3) These amounts are included in the "Fund expenses" line on the consolidated statements of operations.

AUM summary

AUM was \$31.1 billion as at June 30, 2024, up 6% from \$29.4 billion as at March 31, 2024 and up 8% from \$28.7 billion as at December 31, 2023. On a three and six months ended basis, we primarily benefited from market value appreciation in our precious metals physical trusts. We also benefited from net inflows to our exchange listed products and the launch of COP in the quarter. Subsequent to quarter-end, as at August 1, 2024, AUM was \$31.5 billion, up 2% from \$31.1 billion at June 30, 2024.

3 months results						Net management fee rate ⁽²⁾
(In millions \$)	AUM Mar. 31, 2024	Net inflows ⁽¹⁾	Market value changes	Other net inflows ⁽¹⁾	AUM Jun. 30, 2024	
Exchange listed products						
- Precious metals physical trusts and ETFs						
- Physical Gold Trust	6,895	99	289	—	7,283	0.35%
- Physical Silver Trust	4,242	51	701	—	4,994	0.45%
- Physical Gold and Silver Trust	4,401	(48)	357	—	4,710	0.40%
- Precious Metals ETFs	337	6	12	—	355	0.34%
- Physical Platinum & Palladium Trust	112	30	1	—	143	0.50%
	15,987	138	1,360	—	17,485	0.39%
- Critical materials physical trust and ETFs						
- Physical Uranium Trust	5,626	187	(198)	—	5,615	0.32%
- Critical Materials ETFs	2,235	189	(16)	—	2,408	0.58%
- Physical Copper Trust	—	—	(12)	110	98	0.32%
	7,861	376	(226)	110	8,121	0.39%
Total exchange listed products	23,848	514	1,134	110	25,606	0.39%
Managed equities ⁽³⁾	2,923	(36)	98	—	2,985	0.92%
Private strategies	2,598	(121)	(15)	—	2,462	0.78%
Total AUM ⁽⁴⁾	29,369	357	1,217	110	31,053	0.47%
6 months results						
(In millions \$)	AUM Dec. 31, 2023	Net inflows ⁽¹⁾	Market value changes	Other net inflows ⁽¹⁾	AUM Jun. 30, 2024	Net management fee rate ⁽²⁾
Exchange listed products						
- Precious metals physical trusts and ETFs						
- Physical Gold Trust	6,532	(45)	796	—	7,283	0.35%
- Physical Silver Trust	4,070	32	892	—	4,994	0.45%
- Physical Gold and Silver Trust	4,230	(161)	641	—	4,710	0.40%
- Precious Metals ETFs	339	(3)	19	—	355	0.34%
- Physical Platinum & Palladium Trust	116	35	(8)	—	143	0.50%
	15,287	(142)	2,340	—	17,485	0.39%
- Critical materials physical trust and ETFs						
- Physical Uranium Trust	5,773	243	(401)	—	5,615	0.32%
- Critical materials ETFs	2,143	238	27	—	2,408	0.58%
- Physical Copper Trust	—	—	(12)	110	98	0.32%
	7,916	481	(386)	110	8,121	0.39%
Total exchange listed products	23,203	339	1,954	110	25,606	0.39%
Managed equities ⁽³⁾	2,890	(106)	201	—	2,985	0.92%
Private strategies	2,645	(160)	(23)	—	2,462	0.78%
Total AUM ⁽⁴⁾	28,738	73	2,132	110	31,053	0.47%

⁽¹⁾ See "Net inflows" and "Other net inflows" in the key performance indicators and non-IFRS and other financial measures section of this MD&A.

⁽²⁾ Management fee rate represents the weighted average fees for all funds in the category, net of fund expenses.

⁽³⁾ Managed equities is made up of primarily precious metal strategies (55%), high net worth managed accounts (36%) and U.S. value strategies (9%).

⁽⁴⁾ No performance fees are earned on exchange listed products. Performance fees are earned on certain of our managed equities products and are based on returns above relevant benchmarks. Private strategies LPs earn carried interest calculated as a predetermined net profit over a preferred return.

Key revenue lines

Management, carried interest and performance fees

Management fees were \$38.1 million in the quarter, up 16% from \$32.9 million for the quarter ended June 30, 2023 and \$74.4 million on a year-to-date basis, up 16% from \$64.1 million for the six months ended June 30, 2023. Carried interest and performance fees were \$0.7 million in the quarter and on a year-to-date basis, up 80% from \$0.4 million for the quarter and six months ended June 30, 2023. Net fees were \$34.4 million in the quarter, up 15% from \$29.9 million for the quarter ended June 30, 2023 and \$67.1 million on a year-to-date basis, up 16% from \$58.1 million for the six months ended June 30, 2023. Our revenue performance on both a three and six months ended basis was primarily due to higher average AUM on good market value appreciation across most of our exchange listed products since last year.

Commission revenues

Commission revenues were \$3.3 million in the quarter, up from \$1.6 million for the quarter ended June 30, 2023 and \$4.4 million on a year-to-date basis, down 32% from \$6.4 million for the six months ended June 30, 2023. Net commissions were \$1.5 million in the quarter, up 34% from \$1.1 million for the quarter ended June 30, 2023 and \$2 million on a year-to-date basis, down 43% from \$3.5 million for the six months ended June 30, 2023. Higher commissions in the quarter were due to increased ATM activity in our physical uranium trust and the launch of COP. On a year-to-date basis, lower commissions were due to the sale of our former Canadian broker-dealer in the second quarter of last year.

Finance income

Finance income was \$4.1 million in the quarter, up from \$1.7 million for the quarter ended June 30, 2023 and \$5.9 million on a year-to-date basis, up 78% from \$3.3 million for the six months ended June 30, 2023. The increase in finance income was due to higher income earned on streaming syndication activity.

Key expense lines

Compensation

Net compensation expense was \$17.2 million in the quarter, up 12% from \$15.3 million for the quarter ended June 30, 2023 and \$33.5 million on a year-to-date basis, up 9% from \$30.7 million for the six months ended June 30, 2023. The increase in the quarter was primarily due to increased AIP accruals on higher net fee generation.

SG&A

SG&A expense was \$5 million in the quarter, up 6% from \$4.8 million for the quarter ended June 30, 2023 and \$9.2 million on a year-to-date basis, up 5% from \$8.8 million for the six months ended June 30, 2023. The increase was due to higher technology and professional services costs.

Earnings

Last year, our net income benefited from the realization of an \$18.6 million non-recurring asset. Consequently, our net income this quarter of \$13.4 million (\$0.53 per share) was down 25% from \$17.7 million (\$0.70 per share) for the three months ended last year. On a year-to-date basis, net income was \$24.9 million (\$0.98 per share), down 2% from \$25.4 million (\$1.00 per share) last year. Excluding the impact of last year's realization of a non-recurring asset, our second quarter net income was up \$14.2 million, and up \$18.1 million for the six months ended June 30, 2024. Our earnings benefited from higher management fees on improved market valuations in our precious metals exchange listed products, higher commission income on increased ATM activity in our critical materials exchange listed products and higher finance income in our private strategies segment due to higher streaming syndication fees. Our earnings also benefited from market value appreciation of our co-investments.

Adjusted base EBITDA was \$22.4 million (\$0.88 per share) in the quarter, up 25% from \$18 million (\$0.71 per share) for the quarter ended June 30, 2023 and \$42.1 million (\$1.66 per share) on a year-to-date basis, up 19% from \$35.3 million (\$1.40 per share) for the six months ended June 30, 2023. Adjusted base EBITDA on both a three and six months ended basis benefited from higher management fees on improved market valuations in our precious metals exchange listed products, higher commission income on increased ATM activity in our critical materials exchange listed products and higher finance income in our private strategies segment due to higher streaming syndication fees mentioned above.

Additional revenues and expenses

Investment gains on both a three and six months ended basis benefited from market value appreciation in our co-investments.

Depreciation of property and equipment was lower in the quarter due to a decrease in depreciation expense related to cancelled lease agreements on the sale of our legacy non-core asset management business domiciled in Korea in the third quarter of last year.

Other income was lower on both a three and six months ended basis due to the recognition of income on the recording of a non-recurring contingent asset in the second quarter of last year.

Balance sheet

Total assets were \$406.3 million, up 7% from \$378.8 million as at December 31, 2023. The increase was mainly due to the setup of a lease asset on the renewal of an existing lease, higher cash balances on increased earnings and higher other assets attributable to non-controlling interest on the funds we consolidate. Total liabilities were \$90.4 million, up 24% from \$73.1 million as at December 31, 2023. The increase was related to the office lease asset mentioned above (i.e. under IFRS 16, the \$9.4 million lease asset must be accompanied by a corresponding \$9.6 million accrued lease liability) and higher liabilities related to non-controlling interest on the funds we consolidate. Total shareholder's equity was \$315.8 million, up 3% from \$305.7 million as at December 31, 2023.

Reportable operating segments

Exchange listed products

(In thousands \$)	3 months ended		6 months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Summary income statement				
Management fees	26,901	19,871	51,545	38,295
Fund expenses	(2,107)	(1,145)	(3,864)	(2,313)
Net fees	24,794	18,726	47,681	35,982
Commissions	2,776	54	3,442	1,260
Commission expense - internal	(208)	(4)	(278)	(91)
Commission expense - external	(1,388)	(27)	(1,644)	(653)
Net commissions	1,180	23	1,520	516
Gain (loss) on investments	1,479	(911)	2,297	(35)
Co-investment income	29	1,014	29	1,014
Finance income ⁽¹⁾	105	48	197	115
Total net revenues	27,587	18,900	51,724	37,592
Net compensation	4,252	3,274	8,438	6,367
Severance, new hire accruals and other	—	3	—	3
SG&A	1,943	1,831	3,238	2,648
Interest expense	372	758	726	1,332
Depreciation and amortization	33	40	64	69
Foreign exchange (gain) loss ⁽¹⁾	(87)	382	(341)	311
Other (income) and expenses ⁽¹⁾	(580)	(20,543)	(580)	(20,543)
Total expenses	5,933	(14,255)	11,545	(9,813)
Income before income taxes	21,654	33,155	40,179	47,405
Adjusted base EBITDA	20,524	15,198	39,224	29,880
Adjusted base EBITDA margin ⁽²⁾	79 %	81 %	79 %	82 %
Total AUM	25,606,477	19,138,588	25,606,477	19,138,588
Average AUM	25,783,331	19,571,268	24,705,316	18,828,751

(1) See footnote 2 of the summary financial information table on page 10 of the MD&A.

(2) Prior year figures have been restated to remove the adjustment of depreciation and amortization.

3 and 6 months ended

Last year, our income before income taxes benefited from the realization of an \$18.6 million non-recurring asset. Consequently, our income before income taxes was \$21.7 million in the quarter, down 35% from \$33.2 million for the quarter ended June 30, 2023 and was \$40.2 million on a year-to-date basis, down 15% from \$47.4 million last year. Excluding the impact of last year's realization of a non-recurring asset, our second quarter income before income taxes was up \$7.1 million, and up \$11.4 million for the six months ended June 30, 2024. Our earnings benefited from higher management fees on improved market valuations in our precious metals physical trusts and higher commission income on increased ATM activity in our critical materials physical trusts. We also benefited from market value appreciation of our co-investments.

Adjusted base EBITDA was \$20.5 million in the quarter, up 35% from \$15.2 million for the quarter ended June 30, 2023 and was \$39.2 million on a year-to-date basis, up 31% from \$29.9 million for the six months ended June 30, 2023. Our three and six months ended results benefited from higher management fees on improved market valuations in our precious metals physical trusts and higher commission income on increased ATM activity in our critical materials physical trusts mentioned above.

Managed equities

(In thousands \$)	3 months ended		6 months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Summary income statement				
Management fees ⁽¹⁾	6,953	7,040	13,355	13,886
Fund expenses ⁽²⁾	(450)	(561)	(922)	(1,059)
Direct payouts	(989)	(949)	(1,951)	(1,805)
Carried interest and performance fees	698	388	698	388
Carried interest and performance fee payouts - internal	(251)	(236)	(251)	(236)
Net fees	5,961	5,682	10,929	11,174
Gain (loss) on investments	813	(1,531)	1,917	(233)
Co-investment income	37	116	37	281
Finance income ⁽²⁾	45	62	80	133
Total net revenues	6,856	4,329	12,963	11,355
Net compensation	3,515	3,539	6,634	6,750
Severance, new hire accruals and other	—	3	—	482
SG&A ⁽²⁾	1,212	1,155	2,520	2,292
SG&A recoveries from funds ⁽¹⁾	(260)	(282)	(491)	(546)
Interest expense	151	307	428	907
Depreciation and amortization	93	119	187	206
Foreign exchange (gain) loss ⁽²⁾	(29)	127	(114)	93
Other (income) and expenses ⁽²⁾	—	11	—	179
Total expenses	4,682	4,979	9,164	10,363
Income (loss) before income taxes	2,174	(650)	3,799	992
Adjusted base EBITDA	1,821	2,067	3,070	4,023
Adjusted base EBITDA margin ⁽³⁾	33 %	35 %	29 %	35 %
Total AUM	2,984,801	2,722,180	2,984,801	2,722,180
Average AUM	3,029,389	2,899,404	2,902,024	2,860,691

(1) See footnote 1 of the summary financial information table on page 10 of the MD&A.

(2) See footnote 2 of the summary financial information table on page 10 of the MD&A.

(3) Prior year figures have been restated to remove the adjustment of depreciation and amortization.

3 and 6 months ended

Income before income taxes was \$2.2 million in the quarter, up from a loss of \$0.7 million for the quarter ended June 30, 2023 and was \$3.8 million on a year-to-date basis, up from \$1 million for the six months ended June 30, 2023. Income before income taxes on both a three and six months ended basis benefited from market value appreciation of our co-investments.

Adjusted base EBITDA was \$1.8 million in the quarter, down 12% from \$2.1 million for the quarter ended June 30, 2023 and was \$3.1 million on a year-to-date basis, down 24% from \$4 million for the six months ended June 30, 2023. Our three and six months ended results were impacted by the expiry of legacy fixed-term exploration LP contracts, lower co-investment income and higher SG&A from increased technology costs.

Private strategies

(In thousands \$)	3 months ended		6 months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Summary income statement				
Management fees	4,561	5,400	10,158	10,470
Fund expenses	(100)	(96)	(105)	(101)
Direct payouts	(419)	(393)	(918)	(724)
Net fees	4,042	4,911	9,135	9,645
Finance income ⁽¹⁾	3,817	1,219	5,406	2,254
Gain (loss) on investments	550	608	823	655
Total net revenues	8,409	6,738	15,364	12,554
Net compensation	3,243	2,383	5,959	4,678
Severance, new hire accruals and other	—	13	—	54
SG&A	485	436	892	832
Interest expense	2	2	4	2
Depreciation and amortization	7	7	14	11
Foreign exchange (gain) loss ⁽¹⁾	(454)	869	(1,349)	903
Other (income) and expenses ⁽¹⁾	—	—	—	184
Total expenses	3,283	3,710	5,520	6,664
Income before income taxes	5,126	3,028	9,844	5,890
Adjusted base EBITDA	4,131	3,311	7,691	6,389
Adjusted base EBITDA margin ⁽²⁾	53 %	55 %	53 %	54 %
Total AUM	2,461,858	2,576,596	2,461,858	2,576,596
Average AUM	2,565,623	2,505,773	2,600,330	2,237,559

(1) See footnote 2 of the summary financial information table on page 10 of the MD&A.

(2) Prior year figures have been restated to remove the adjustment of depreciation and amortization.

3 and 6 months ended

Income before income taxes was \$5.1 million in the quarter, up 69% from \$3 million for the quarter ended June 30, 2023 and was \$9.8 million on a year-to-date basis, up 67% from \$5.9 million for the six months ended June 30, 2023. Adjusted base EBITDA was \$4.1 million in the quarter, up 25% from \$3.3 million for the quarter ended June 30, 2023 and was \$7.7 million on a year-to-date basis, up 20% from \$6.4 million for the six months ended June 30, 2023. Our three and six months ended results benefited from higher finance income earned on streaming syndication activity.

Corporate

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

(In thousands \$)	3 months ended		6 months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Summary income statement				
Gain (loss) on investments	(143)	(69)	(303)	214
Finance income ⁽¹⁾	23	39	36	67
Total revenues	(120)	(30)	(267)	281
Net compensation ⁽¹⁾	5,763	5,092	11,552	10,159
Severance, new hire accruals and other	—	3,999	—	4,670
SG&A	1,116	609	2,024	1,376
Interest expense	190	33	387	59
Depreciation and amortization	432	430	847	856
Foreign exchange (gain) loss ⁽¹⁾	742	71	1,991	495
Other (income) and expenses ⁽¹⁾	—	487	—	755
Total expenses	8,243	10,721	16,801	18,370
Income (loss) before income taxes	(8,363)	(10,751)	(17,068)	(18,089)
Adjusted base EBITDA	(3,827)	(2,893)	(7,124)	(5,693)

(1) See footnote 2 of the summary financial information table on page 10 of the MD&A.

3 and 6 months ended

- Investment losses were due to market value depreciation of certain equity holdings.
- Net compensation was higher primarily due to increased AIP accruals on higher net fee generation.
- Severance and other expenses were \$nil compared to the prior period.
- SG&A was higher primarily due to increased technology costs.

Dividends

The following dividends were declared by the Company during the six months ended June 30, 2024:

Record date	Payment date	Cash dividend per share	Total dividend amount (in thousands \$)
March 4, 2024 - Regular dividend Q4 2023	March 19, 2024	\$0.25	6,466
May 21, 2024 - Regular dividend Q1 2024	June 5, 2024	\$0.25	6,466
Dividends declared in 2024 ⁽¹⁾			12,932

(1) Subsequent to quarter end, on August 6, 2024, a regular dividend of \$0.25 per common share was declared for the quarter ended June 30, 2024. This dividend is payable on September 3, 2024 to shareholders of record at the close of business on August 19, 2024.

Capital stock

Including the 0.5 million unvested common shares currently held in the EPSP Trust (December 31, 2023 - 0.5 million), total capital stock issued and outstanding was 25.9 million (December 31, 2023 - 25.9 million).

Earnings per share for the current and prior period have been calculated using the weighted average number of shares outstanding during the respective periods. Basic earnings per share was \$0.53 for the quarter and \$0.98 on a year-to-date basis compared to \$0.70 and \$1.00 in the prior periods, respectively. Diluted earnings per share was \$0.51 in the quarter and \$0.96 on a year-to-date basis compared to \$0.68 and \$0.97 in the prior periods, respectively. 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 12,500 stock options are outstanding pursuant to our stock option plan, all of which are exercisable.

Liquidity and capital resources

As at June 30, 2024, the Company had \$29.7 million (December 31, 2023 - \$20.7 million) of cash and cash equivalents. In addition, the Company had \$97.8 million of co-investments (December 31, 2023 - \$93.5 million), of which, \$46.9 million (December 31, 2023 - \$39.5 million) can be monetized in less than 90 days (liquid co-investments).

As at June 30, 2024, the Company had \$30.7 million (December 31, 2023 - \$24.2 million) outstanding on its credit facility, all of which is due on August 8, 2028. As at June 30, 2024, the Company was in compliance with all covenants, terms and conditions under the credit facility.

The Company has access to a credit facility of \$75 million with a major Canadian schedule I chartered bank. Amounts under the facility may be borrowed through prime rate loans or CORRA loans. Amounts may also be borrowed in U.S. dollars through SOFR or base rate loans.

Key terms under the current credit facility are noted below:

Structure

- 5-year, \$75 million revolver with "bullet maturity" August 8, 2028

Interest rate

- SOFR + 2.36%

Covenant terms

- Minimum AUM: CAD\$15.4 billion;
- Debt to EBITDA less than or equal to 2.5:1; and
- EBITDA to interest expense more than or equal to 2.5:1

Commitments

The Company has commitments to make co-investments in private strategies LPs or commitments to make co-investments in fund strategies in the Company's other segments. As at June 30, 2024, the Company had \$4.6 million in co-investment commitments in private strategies LPs due within one year (December 31, 2023 - \$4 million) and \$Nil due after 12 months (December 31, 2023 - \$1.9 million).

Critical accounting estimates and significant judgments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions and estimates as they occur. The Company's material accounting policy information are described in Note 2 of the December 31, 2023 audited annual financial statements. Certain of these accounting policies require management to make key assumptions concerning the future and consider other sources of estimation uncertainty at the reporting date. These accounting estimates are considered critical because they require subjective and/or complex judgments that may have a material impact on the value of our assets, liabilities, revenues and expenses.

Critical accounting estimates

Impairment of goodwill and intangible assets

All indefinite life intangible assets and goodwill are assessed for impairment annually, however, finite life intangibles are only tested for impairment to the extent indicators of impairment exist at the time of a quarterly assessment. In the case of goodwill and indefinite life intangibles, this annual test for impairment augments the quarterly impairment indicator assessments. Values associated with goodwill and intangibles involve estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates, AUM and asset lives. These estimates require significant judgment regarding market growth rates, fund flow assumptions, expected margins and costs, which could affect the Company's future results if estimates of future performance and fair value change.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated balance sheets cannot be derived from active markets, they are determined using valuation techniques and models. Model inputs are taken from observable markets where possible, but where this is not feasible, unobservable inputs may be used. These unobservable inputs include, but are not limited to, projected cash flows, discount rates, comparable recent transactions and volatility of underlying securities in warrant valuations. The use of unobservable inputs can involve significant judgment and materially affect the reported fair value of financial instruments.

Significant judgments

Investments in other entities

IFRS 10 *Consolidated Financial Statements* ("IFRS 10") and IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") provide for the use of judgment in determining whether an investee should be included within the consolidated financial statements of the Company and on what basis (subsidiary, joint venture, financial instrument or associate). Significant judgment is applied in evaluating facts and circumstances relevant to the Company and investee, including: (1) the extent of the Company's direct and indirect interest in the investee; (2) the level of compensation to be received from the investee for management and other services provided to it; (3) "kick out rights" available to other investors in the investee; and (4) other indicators of the extent of power that the Company has over the investee.

Managing financial risks

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 interest 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.

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 assets and liabilities. The Company's earnings, particularly through its private strategies 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

The Company enters into transactions that are denominated primarily in U.S. and Canadian dollars. 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 which are denominated in currencies other than the functional currency of the Company and its subsidiaries. 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 investments portfolio.

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 receivables relate to management fees, carried interest and performance fees receivable from the funds and managed accounts 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. The Company has \$29.7 million (December 31, 2023 - \$20.7 million) of cash and cash equivalents. In addition, the Company has \$97.8 million of co-investments (December 31, 2023 - \$93.5 million), of which, \$46.9 million (December 31, 2023 - \$39.5 million) can be monetized in less than 90 days (liquid co-investments). The Company also has access to a credit facility of \$75 million with a major Canadian schedule I chartered bank.

The Company's exposure to liquidity risk as it relates to our co-investments in private strategies LPs arises from fluctuations in cash flows from making capital calls and receiving capital distributions. The Company manages its co-investment liquidity risk through the ongoing monitoring of scheduled capital calls and distributions ("match funding") and through its broader treasury risk management program and enterprise capital budgeting.

Financial liabilities, including accounts payable and accrued liabilities and compensation 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 as they come due and 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: drawing on the line of credit; slowing its co-investment activities; liquidating investments; adjusting or otherwise temporarily suspending AIPs; cutting or temporarily suspending its dividend; and/or issuing common shares.

Concentration risk

A significant portion of the Company's AUM and its investments are focused on the natural resource sector, and in particular, precious metals and critical materials related investments and transactions. In addition, from time-to-time, certain investments 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.

Our chief executive officer and chief financial officer, after evaluating the effectiveness of our DC&P and ICFR (as defined in the applicable U.S. and Canadian securities laws), concluded that the Company's DC&P and ICFR were properly designed and were operating effectively as at June 30, 2024. In addition, there were no material changes to ICFR during the quarter.

Managing non-financial risks

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 EDGAR at www.sec.gov and SEDAR+ at www.sedarplus.com.

Consolidated Financial Statements

Three and six months ended June 30, 2024



Interim condensed consolidated balance sheets (unaudited)

As at (In thousands of U.S. dollars)	Jun. 30 2024	Dec. 31 2023
Assets		
Current		
Cash and cash equivalents	29,726	20,658
Fees receivable	8,551	7,481
Short-term investments	(Notes 3 & 10) 2,298	2,232
Other assets	(Note 5) 17,078	13,496
Income taxes recoverable	842	1,189
Total current assets	58,495	45,056
Co-investments	(Notes 4 & 10) 97,805	93,528
Other assets	(Notes 5 & 10) 30,431	24,291
Property and equipment, net	20,447	10,856
Intangible assets	(Note 8) 176,749	182,902
Goodwill	(Note 8) 19,149	19,149
Deferred income taxes	3,189	3,053
	347,770	333,779
Total assets	406,265	378,835
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	8,556	12,647
Compensation payable	6,453	7,822
Income taxes payable	4,342	980
Total current liabilities	19,351	21,449
Other accrued liabilities	28,120	16,637
Loan facility	(Note 13) 30,677	24,237
Deferred income taxes	12,294	10,807
Total liabilities	90,442	73,130
Shareholders' equity		
Capital stock	(Note 9) 434,263	434,764
Contributed surplus	(Note 9) 42,226	35,281
Deficit	(77,417)	(89,402)
Accumulated other comprehensive loss	(83,249)	(74,938)
Total shareholders' equity	315,823	305,705
Total liabilities and shareholders' equity	406,265	378,835
Commitments and provisions	(Note 14)	

The accompanying notes form part of the unaudited interim condensed consolidated financial statements

"Ron Dewhurst"
Director

"Graham Birch"
Director

Interim condensed consolidated statements of operations and comprehensive income (unaudited)

	For the three months ended		For the six months ended	
	Jun. 30 2024	Jun. 30 2023	Jun. 30 2024	Jun. 30 2023
<i>(In thousands of U.S. dollars, except for per share amounts)</i>				
Revenues				
Management fees	38,325	33,222	74,928	64,656
Carried interest and performance fees	698	388	698	388
Commissions	3,332	1,647	4,379	6,431
Finance income ⁽¹⁾	4,084	1,650	5,894	3,305
Gain (loss) on investments <i>(Notes 3, 4 and 5)</i>	1,133	(1,950)	2,942	8
Co-investment income ⁽¹⁾ <i>(Note 6)</i>	416	1,327	690	1,420
Total revenues	47,988	36,284	89,531	76,208
Expenses				
Compensation ⁽¹⁾ <i>(Note 9)</i>	19,225	21,468	37,180	41,024
Fund expenses ⁽¹⁾	4,100	1,898	6,646	4,335
Selling, general and administrative ⁽¹⁾	5,040	4,752	9,213	8,778
Interest expense	715	1,087	1,545	2,334
Depreciation of property and equipment	568	748	1,119	1,454
Foreign exchange (gain) loss ⁽¹⁾	122	1,440	290	1,880
Other (income) and expenses ⁽¹⁾ <i>(Note 7)</i>	(580)	(18,890)	(580)	(17,641)
Total expenses	29,190	12,503	55,413	42,164
Income before income taxes for the period	18,798	23,781	34,118	34,044
Provision for income taxes	5,438	6,057	9,201	8,682
Net income for the period	13,360	17,724	24,917	25,362
Net income per share:				
Basic <i>(Note 9)</i>	0.53	0.70	0.98	1.00
Diluted <i>(Note 9)</i>	0.51	0.68	0.96	0.97
Net income for the period	13,360	17,724	24,917	25,362
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation gain (loss) (taxes of \$Nil)	(2,432)	4,775	(8,311)	4,509
Total other comprehensive income (loss)	(2,432)	4,775	(8,311)	4,509
Comprehensive income (loss)	10,928	22,499	16,606	29,871

(1) Prior period figures have been reclassified to conform with current presentation

The accompanying notes form part of the unaudited interim condensed consolidated financial statements

Interim condensed consolidated statements of changes in shareholders' equity (unaudited)

<i>(In thousands of U.S. dollars, other than number of shares)</i>		Number of shares outstanding	Capital stock	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total equity
At Dec. 31, 2023		25,410,151	434,764	35,281	(89,402)	(74,938)	305,705
Shares acquired for equity incentive plan	<i>(Note 9)</i>	(26,321)	(963)	—	—	—	(963)
Shares issued and released on vesting of equity incentive plans	<i>(Note 9)</i>	12,261	462	(1,382)	—	—	(920)
Foreign currency translation gain (loss)		—	—	—	—	(8,311)	(8,311)
Stock-based compensation	<i>(Note 9)</i>	—	—	8,327	—	—	8,327
Dividends declared	<i>(Note 11)</i>	—	—	—	(12,932)	—	(12,932)
Net income		—	—	—	24,917	—	24,917
Balance, Jun. 30, 2024		25,396,091	434,263	42,226	(77,417)	(83,249)	315,823
At Dec. 31, 2022		25,325,894	428,475	33,716	(105,305)	(79,615)	277,271
Shares acquired for equity incentive plan	<i>(Note 9)</i>	(153,150)	(5,234)	—	—	—	(5,234)
Shares issued and released on vesting of equity incentive plans	<i>(Note 9)</i>	99,432	4,321	(4,321)	—	—	—
Shares acquired and canceled under normal course issuer bid	<i>(Note 9)</i>	(89,473)	(3,000)	—	—	—	(3,000)
Foreign currency translation gain (loss)		—	—	—	—	4,509	4,509
Stock-based compensation	<i>(Note 9)</i>	—	—	11,822	—	—	11,822
Dividends declared	<i>(Note 11)</i>	1,389	49	—	(12,971)	—	(12,922)
Net income		—	—	—	25,362	—	25,362
Balance, Jun. 30, 2023		25,184,092	424,611	41,217	(92,914)	(75,106)	297,808

The accompanying notes form part of the unaudited interim condensed consolidated financial statements

Interim condensed consolidated statements of cash flows (unaudited)

<i>(In thousands of U.S. dollars)</i>	<i>For the six months ended</i>	
	Jun. 30 2024	Jun. 30 2023
Operating activities		
Net income for the period	24,917	25,362
Add (deduct) non-cash items:		
(Gain) loss on investments	(2,942)	(8)
Stock-based compensation	8,327	11,822
Depreciation of property and equipment	1,119	1,454
Deferred income tax expense	1,627	424
Current income tax expense	7,574	8,258
Other items	(2,573)	822
Shares received on recognition of a previously unrecorded contingent asset	—	(18,588)
Income taxes paid	(3,881)	(3,745)
Changes in:		
Fees receivable	(1,070)	4,007
Other assets	(7,303)	(2,308)
Accounts payable, accrued liabilities and compensation payable	(4,763)	(8,888)
Cash provided by (used in) operating activities	21,032	18,612
Investing activities		
Purchase of investments	(10,410)	(17,569)
Sale of investments	10,763	10,754
Purchase of property and equipment	(1,116)	(873)
Management contract consideration	(3,906)	—
Cash provided by (used in) investing activities	(4,669)	(7,688)
Financing activities		
Acquisition of common shares for equity incentive plan	(963)	(5,234)
Acquisition of common shares under normal course issuer bid	—	(3,000)
Repayment of lease liabilities	(658)	(1,155)
Contributions from non-controlling interest	2,796	997
Net advances (repayments) from loan facility	6,440	(20,000)
Dividends paid	(12,932)	(12,922)
Cash provided by (used in) financing activities	(5,317)	(41,314)
Effect of foreign exchange on cash balances	(1,978)	(1,070)
Net increase (decrease) in cash and cash equivalents during the period	9,068	(31,460)
Cash and cash equivalents, beginning of the period	20,658	51,678
Cash and cash equivalents, end of the period	29,726	20,218
Cash and cash equivalents:		
Cash	27,024	20,218
Short-term deposits	2,702	—
	29,726	20,218

The accompanying notes form part of the unaudited interim condensed consolidated 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 material accounting policy information

Statement of compliance

These unaudited interim condensed consolidated financial statements ("interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") in effect as at June 30, 2024, specifically, IAS 34 *Interim Financial Reporting*.

Compliance with IFRS requires the Company to exercise judgment and make estimates and assumptions that effect 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, 2023 annual audited consolidated financial statements and have been applied consistently to the interim financial statements as at and for the three and six months ended June 30, 2024.

The interim financial statements have been authorized for issue by a resolution of the board of directors of the Company on August 6, 2024 and include all subsequent events up to that date.

Basis of presentation

These interim financial statements have been prepared on a going concern basis and on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss ("FVTPL") and which are measured at fair value to the extent required or permitted under IFRS and as set out in the relevant accounting policies. The interim financial statements are presented in U.S. 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 for the same reporting period as the Company and are based on accounting policies consistent with that of the Company.

The Company records third-party interest in the funds which do not qualify to be equity due to redeemable or limited life features, as non-controlling interest liabilities. Such interests are initially recognized at fair value, with any changes recorded in the co-investment income line of the consolidated statements of operations and comprehensive income.

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.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

The Company currently controls the following principal subsidiaries:

- Sprott Asset Management LP ("SAM");
- Sprott U.S. Holdings Inc. ("SUSHI"), parent of: (1) SGRIL Holdings Inc. ("SGRIL Holdings"); (2) Sprott Global Resource Investments Ltd. ("SGRIL"); (3) Sprott Asset Management USA Inc. ("SAM US"); and (4) Resource Capital Investment Corporation ("RCIC"). Collectively, the interests of SUSHI are referred to as "US entities" in these financial statements;
- Sprott Resource Streaming and Royalty Corporation and Sprott Private Resource Streaming and Royalty (Management) Corp. ("SRSR");
- Sprott Resource Lending Corp. ("SRLC"); and
- Sprott Inc. 2011 Employee Profit Sharing Plan Trust (the "Trust").

Other accounting policies

All accounting policies, judgments, and estimates described in the December 31, 2023 annual audited consolidated financial statements have been applied consistently to the interim financial statements unless otherwise noted.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

3 Short-term investments

Primarily consist of equity investments in public and private entities the Company receives as consideration during private strategies, managed equities and broker-dealer activities (in thousands \$):

	Classification and measurement criteria	Jun. 30, 2024	Dec. 31, 2023
Public equities and share purchase warrants	FVTPL	820	754
Private holdings	FVTPL	1,478	1,478
Total short-term investments		2,298	2,232

Gains and losses on financial assets and liabilities classified at FVTPL are included in the gain (loss) on investments line in the consolidated statements of operations and comprehensive income.

4 Co-investments

Consists of the following (in thousands \$):

	Classification and measurement criteria	Jun. 30, 2024	Dec. 31, 2023
Co-investments in funds ⁽¹⁾	FVTPL	97,805	93,528
Total co-investments		97,805	93,528

⁽¹⁾ Includes investments in funds managed and previously managed by the Company.

Gains and losses on co-investments are included in the gain (loss) on investments line in the consolidated statements of operations and comprehensive income.

5 Other assets and non-controlling interest

Other assets

Consist of the following (in thousands \$):

	Jun. 30, 2024	Dec. 31, 2023
Assets attributable to non-controlling interest	18,233	15,439
Fund recoveries and investment receivables	9,841	6,658
Advance on unrealized carried interest	7,993	4,517
Prepaid expenses	4,738	4,017
Other ⁽¹⁾	3,407	3,744
Digital gold strategies ⁽²⁾	3,297	3,412
Total other assets	47,509	37,787

⁽¹⁾ Includes miscellaneous third-party receivables.

⁽²⁾ Digital gold strategies are financial instruments classified at FVTPL. Gains and losses are included in the gain (loss) on investments line in the consolidated statements of operations and comprehensive income.

Non-controlling interest assets and liabilities

Non-controlling interest consists of third-party interest in the Company's co-investments. The following table provides a summary of amounts attributable to this non-controlling interest (in thousands \$):

	Jun. 30, 2024	Dec. 31, 2023
Assets	18,233	15,439
Liabilities - current ⁽¹⁾	(131)	(133)
Liabilities - long-term ⁽¹⁾	(18,102)	(15,306)

⁽¹⁾ Current and long-term liabilities attributable to non-controlling interest are included in accounts payable and accrued liabilities and other accrued liabilities, respectively.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

6 Co-investment income

	For the three months ended		For the six months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Co-investment income	416	1,327	690	1,420
Income attributable to non-controlling interest	205	(525)	336	157
Expense attributable to non-controlling interest	(205)	525	(336)	(157)
Total co-investment income	416	1,327	690	1,420

7 Other (income) and expenses

	For the three months ended		For the six months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Shares received on recognition of contingent asset	—	(18,588)	—	(18,588)
Revaluation of contingent consideration	(580)	(2,254)	(580)	(2,254)
Costs related to exit of non-core business	—	1,372	—	1,372
Non-recurring regulatory, professional fees and other	—	580	—	1,829
Total other (income) and expenses	(580)	(18,890)	(580)	(17,641)

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

8 Goodwill and intangible assets

Consist of the following (in thousands \$):

	Goodwill	Fund management contracts (indefinite life)	Total
Cost			
At Dec. 31, 2022	132,251	178,613	310,864
Net exchange differences	—	4,289	4,289
At Dec. 31, 2023	132,251	182,902	315,153
Net exchange differences	—	(6,153)	(6,153)
At Jun. 30, 2024	132,251	176,749	309,000
Accumulated amortization/impairment			
At Dec. 31, 2022	(113,102)	—	(113,102)
Amortization charge for the year	—	—	—
At Dec. 31, 2023	(113,102)	—	(113,102)
Amortization charge for the period	—	—	—
At Jun. 30, 2024	(113,102)	—	(113,102)
Net book value at:			
At Dec. 31, 2023	19,149	182,902	202,051
At Jun. 30, 2024	19,149	176,749	195,898

SPROTT INC.

Notes to the interim condensed consolidated financial statements (unaudited)

For the three and six months ended June 30, 2024 and 2023

Goodwill

The Company has identified 5 cash generating units ("CGU") as follows:

- Exchange listed products
- Managed equities
- Private strategies
- Brokerage
- Corporate

As at June 30, 2024, the Company had allocated \$19.1 million (December 31, 2023 - \$19.1 million) of goodwill between the exchange listed products CGU (\$17.9 million) and the managed equities CGU (\$1.2 million). Goodwill was allocated on a relative value approach basis.

Indefinite life fund management contracts

As at June 30, 2024, the Company had indefinite life intangibles related to fund management contracts of \$176.7 million (December 31, 2023 - \$182.9 million). These contracts are held within the exchange listed products and managed equities CGUs.

Impairment assessment of goodwill and indefinite life fund management contracts

In the normal course, goodwill and indefinite life fund management contracts are tested for impairment once per annum, which for the Company is during the fourth quarter of each year or earlier if there are indicators of impairment. There were no indicators of impairment in either the exchange listed products or the managed equities CGUs as at June 30, 2024

9 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, 2022	25,325,894	428,475
Shares acquired for equity incentive plan	(154,131)	(5,252)
Shares issued and released on vesting of equity incentive plans	363,352	15,649
Shares acquired and canceled under normal course issuer bid	(126,353)	(4,157)
Shares issued under dividend reinvestment program	1,389	49
At Dec. 31, 2023	25,410,151	434,764
Shares acquired for equity incentive plan	(26,321)	(963)
Shares issued and released on vesting of equity incentive plans	12,261	462
At Jun. 30, 2024	25,396,091	434,263

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, 2022	33,716
Released on vesting of equity incentive plans	(18,846)
Stock-based compensation	20,411
At Dec. 31, 2023	35,281
Released on vesting of equity incentive plans	(1,382)
Stock-based compensation	8,327
At Jun. 30, 2024	42,226

Stock option plan

The Company has an option plan (the "Plan") intended to provide incentives to directors, officers and employees 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 typically 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 or exercised during the three and six months ended June 30, 2024 (three and six months ended June 30, 2023 - 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.

As at June 30, 2024, there are 12,500 options outstanding (December 31, 2023 - 12,500) with a weighted average exercise price of CAD\$27.30 and 1.8 years remaining on their contractual life.

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; and (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. 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 no RSUs granted during the three months ended June 30, 2024 (three months ended June 30, 2023 - Nil) and no RSUs granted during the six months ended June 30, 2024 (six months ended June 30, 2023 - 50,000).

	Number of common shares
Unvested common shares held by the Trust, Dec. 31, 2022	630,431
Acquired	154,131
Released on vesting	(331,672)
Unvested common shares held by the Trust, Dec. 31, 2023	452,890
Acquired	26,321
Released on vesting	(12,261)
Unvested common shares held by the Trust, Jun. 30, 2024	466,950

Included in the compensation line of the consolidated statements of operations and comprehensive income is \$8.3 million of stock-based compensation for the six months ended June 30, 2024 (six months ended June 30, 2023 - \$11.8 million).

Basic and diluted earnings per share

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

	For the three months ended		For the six months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Numerator (in thousands \$):				
Net income - basic and diluted	13,360	17,724	24,917	25,362
Denominator (number of shares in thousands):				
Weighted average number of common shares	25,863	25,919	25,863	25,934
Weighted average number of unvested shares purchased by the Trust	(467)	(649)	(461)	(651)
Weighted average number of common shares - basic	25,396	25,270	25,402	25,283
Weighted average number of dilutive stock options	13	13	13	13
Weighted average number of unvested shares under EIP	630	949	624	951
Weighted average number of common shares - diluted	26,039	26,232	26,039	26,247
Net income per common share				
Basic	0.53	0.70	0.98	1.00
Diluted	0.51	0.68	0.96	0.97

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 to 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, carried interest 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). SAM is a registrant of the Ontario Securities Commission ("OSC") and the U.S. Securities and Exchange Commission ("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. SAM US and RCIC are also registered with the SEC. As at June 30, 2024 and 2023, all entities were in compliance with their respective capital requirements.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

10 Fair value measurements

The following tables present the Company's recurring fair value measurements within the fair value hierarchy. The Company did not have non-recurring fair value measurements as at June 30, 2024 and December 31, 2023 (in thousands \$).

Short-term investments

Jun. 30, 2024	Level 1	Level 2	Level 3	Total
Public equities and share purchase warrants	744	63	13	820
Private holdings	—	—	1,478	1,478
Total recurring fair value measurements	744	63	1,491	2,298

Dec. 31, 2023	Level 1	Level 2	Level 3	Total
Public equities and share purchase warrants	708	44	2	754
Private holdings	—	—	1,478	1,478
Total recurring fair value measurements	708	44	1,480	2,232

Co-investments

Jun. 30, 2024	Level 1	Level 2	Level 3	Total
Co-investments ⁽¹⁾	20,345	77,460	—	97,805
Total recurring fair value measurements	20,345	77,460	—	97,805

Dec. 31, 2023	Level 1	Level 2	Level 3	Total
Co-investments ⁽¹⁾	15,357	78,171	—	93,528
Total recurring fair value measurements	15,357	78,171	—	93,528

(1) Co-investments also include investments made in funds which the Company consolidates that directly hold publicly traded equities or precious metals.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

Other assets

Jun. 30, 2024	Level 1	Level 2	Level 3	Total
Digital gold strategies	—	—	3,297	3,297
Assets attributable to non-controlling interest	2,194	16,039	—	18,233
Total recurring fair value measurements	2,194	16,039	3,297	21,530

Dec. 31, 2023	Level 1	Level 2	Level 3	Total
Digital gold strategies	—	—	3,412	3,412
Assets attributable to non-controlling interest	1,706	13,733	—	15,439
Total recurring fair value measurements	1,706	13,733	3,412	18,851

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

Short-term investments

Changes in the fair value of Level 3 measurements - Jun. 30, 2024					
	Dec. 31, 2023	Purchases and reclassifications	Sales	Net unrealized gains (losses) included in net income	Jun. 30, 2024
Share purchase warrants	2	74	—	(63)	13
Private holdings	1,478	—	—	—	1,478
Total	1,480	74	—	(63)	1,491

Changes in the fair value of Level 3 measurements - Dec. 31, 2023					
	Dec. 31, 2022	Purchases and reclassifications	Sales	Net unrealized gains (losses) included in net income	Dec. 31, 2023
Share purchase warrants	47	48	(37)	(56)	2
Private holdings	1,485	—	—	(7)	1,478
Total	1,532	48	(37)	(63)	1,480

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

Other assets

Changes in the fair value of Level 3 measurements - Jun. 30, 2024					
	Dec. 31, 2023	Purchases and reclassifications	Sales	Net unrealized gains (losses) included in net income	Jun. 30, 2024
Digital gold strategies	3,412	—	—	(115)	3,297
Total	3,412	—	—	(115)	3,297

Changes in the fair value of Level 3 measurements - Dec. 31, 2023					
	Dec. 31, 2022	Purchases and reclassifications	Sales	Net unrealized gains (losses) included in net income	Dec. 31, 2023
Digital gold strategies	3,778	—	—	(366)	3,412
Total	3,778	—	—	(366)	3,412

During the six months ended June 30, 2024, the Company transferred public equities of \$Nil (December 31, 2023 - \$0.1 million) from Level 2 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, precious metals and share purchase warrants	Fair values are determined using publicly available prices or pricing models which incorporate all available market-observable inputs.
Alternative funds and private equity 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.
Private holdings (including digital gold strategies)	Fair values based on variety of valuation techniques, including discounted cash flows, comparable recent transactions and other techniques used by market participants.

The Company's Level 3 securities consist of private holdings and share purchase warrants. The significant unobservable inputs used in these valuation techniques can vary considerably over time, and include gray market financing prices, volatility and discount rates. A significant change in any of these inputs in isolation would result in a material impact in fair value measurement. The potential impact of a 5% change in the significant unobservable inputs on profit or loss would be approximately \$0.2 million (December 31, 2023 - \$0.2 million).

Financial instruments not carried at fair value

The carrying amounts of fees receivable, other assets, accounts payable and accrued liabilities and compensation payable represent a reasonable approximation of fair value.

11 Dividends

The following dividends were declared by the Company during the six months ended June 30, 2024:

Record date	Payment date	Cash dividend per share	Total dividend amount (in thousands \$)
March 4, 2024 - Regular dividend Q4 2023	March 19, 2024	\$0.25	6,466
May 21, 2024 - Regular dividend Q1 2024	June 5, 2024	\$0.25	6,466
Dividends declared in 2024 ⁽¹⁾			12,932

(1) Subsequent to quarter end, on August 6, 2024, a regular dividend of \$0.25 per common share was declared for the quarter ended June 30, 2024. This dividend is payable on September 3, 2024 to shareholders of record at the close of business on August 19, 2024.

12 Segmented information

For management purposes, the Company is organized into business units based on its products, services and geographical locations and has four 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;
- **Managed equities** (reportable), which provides management services to the Company's alternative investment strategies managed in-house and on a sub-advisory basis;
- **Private strategies** (reportable), which provides lending and streaming activities through limited partnership vehicles;
- **Corporate** (reportable), which provides capital, balance sheet management and enterprise shared services to the Company's subsidiaries; and
- **All other segments** (non-reportable), which do not meet the definition of reportable segments per IFRS 8.

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 investments (as if such gains and losses had not occurred), stock-based compensation, severance, new hire accruals and other, foreign exchange (gain) loss, costs relating to the exit of non-core businesses, revaluation of contingent considerations, non-recurring regulatory, professional fees and other, shares received on recognition of contingent consideration, carried interest and performance fees and carried interest and performance fee payouts (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.

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

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

For the three months ended June 30, 2024

	Exchange listed products	Managed equities	Private strategies	Corporate	Consolidation, elimination and all other segments ⁽¹⁾	Consolidated
Total revenue	31,290	8,806	8,928	(120)	(916)	47,988
Total expenses	9,636	6,632	3,802	8,243	877	29,190
Income (loss) before income taxes	21,654	2,174	5,126	(8,363)	(1,793)	18,798
Adjusted base EBITDA	20,524	1,821	4,131	(3,827)	(274)	22,375

(1) Revenues from non-reportable segments is \$650, net of investment losses of \$1,566

For the three months ended June 30, 2023 ⁽¹⁾

	Exchange listed products	Managed equities	Private strategies	Corporate	Consolidation, elimination and all other segments ⁽²⁾	Consolidated
Total revenue	20,076	6,357	7,227	(30)	2,654	36,284
Total expenses	(13,079)	7,007	4,199	10,721	3,655	12,503
Income (loss) before income taxes	33,155	(650)	3,028	(10,751)	(1,001)	23,781
Adjusted base EBITDA	15,198	2,067	3,311	(2,893)	270	17,953

(1) Prior period figures have been updated to conform with current presentation

(2) Revenues from non-reportable segments is \$2,701, net of investment losses of \$47

For the six months ended June 30, 2024

	Exchange listed products	Managed equities	Private strategies	Corporate	Consolidation, elimination and all other segments ⁽¹⁾	Consolidated
Total revenue	57,510	16,578	16,387	(267)	(677)	89,531
Total expenses	17,331	12,779	6,543	16,801	1,959	55,413
Income (loss) before income taxes	40,179	3,799	9,844	(17,068)	(2,636)	34,118
Adjusted base EBITDA	39,224	3,070	7,691	(7,124)	(735)	42,126

(1) Revenues from non-reportable segments is \$1,115, net of investment losses of \$1,792

For the six months ended June 30, 2023 ⁽¹⁾

	Exchange listed products	Managed equities	Private strategies	Corporate	Consolidation, elimination and all other segments ⁽²⁾	Consolidated
Total revenue	40,649	15,001	13,379	281	6,898	76,208
Total expenses	(6,756)	14,009	7,489	18,370	9,052	42,164
Income (loss) before income taxes	47,405	992	5,890	(18,089)	(2,154)	34,044
Adjusted base EBITDA	29,880	4,023	6,389	(5,693)	675	35,274

(1) Prior period figures have been updated to conform with current presentation

(2) Revenues from non-reportable segments is \$7,491, net of investment losses of \$593

SPROTT INC.**Notes to the interim condensed consolidated financial statements (unaudited)**

For the three and six months ended June 30, 2024 and 2023

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 six months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Canada	42,046	32,392	80,318	68,686
United States	5,942	3,892	9,213	7,522
	47,988	36,284	89,531	76,208

13 Loan facility

As at June 30, 2024, the Company had \$30.7 million (December 31, 2023 - \$24.2 million) outstanding on its credit facility, all of which is due on August 8, 2028. As at June 30, 2024, the Company was in compliance with all covenants, terms and conditions under the credit facility.

The Company has access to a credit facility of \$75 million with a major Canadian schedule I chartered bank. Amounts under the facility may be borrowed through prime rate loans or CORRA loans. Amounts may also be borrowed in U.S. dollars through SOFR or base rate loans.

Key terms under the current credit facility are noted below:

Structure

- 5-year, \$75 million revolver with "bullet maturity" August 8, 2028

Interest rate

- SOFR + 2.36%

Covenant terms

- Minimum AUM: CAD\$15.4 billion;
- Debt to EBITDA less than or equal to 2.5:1; and
- EBITDA to interest expense more than or equal to 2.5:1

14 Commitments and provisions

The Company has commitments to make co-investments in private strategies LPs or commitments to make co-investments in fund strategies in the Company's other segments. As at June 30, 2024, the Company had \$4.6 million in co-investment commitments in private strategies LPs due within one year (December 31, 2023 - \$4 million) and \$Nil due after 12 months (December 31, 2023 - \$1.9 million). On January 1, 2024, the lease for the Company's existing Toronto office was renewed and as a result, a right-of-use asset and corresponding lease liability was setup on the consolidated balance sheets.

Corporate Information

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Stock Information

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