Sprott Resource Alpha Separately Managed Account

Q4 2022 Quarterly Commentary

INVESTMENT TEAM

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STRATEGY OBJECTIVE

The primary objective is to deliver a risk-adjusted return through long-term capital appreciation for investors. The investment team aims to establish equity holdings in companies exploring, developing or producing commodities with a focus on companies that have consistently delivered, or are expected to deliver, the highest quartile operating margins in their respective industries.

Performance Summary

Global commodity markets ended the year on a strong note and was mostly the result of China having abandoned its "zero-COVID" policy, which lifted expectations for 2023's world-wide raw material demand. This bounce higher coincided with a retracement lower in the U.S. dollar ("USD"), which has a tendency to be inversely correlated with commodities and precious metals.

The Sprott Resource Alpha Separately Managed Account ("Strategy") enjoyed healthy gains during the quarter, climbing nearly 20% from the previous quarter-end. Gains came from across the board, but most notably occurred in our basket of energy positions.

Total Returns[2] (Net of Fees %)

As of 12/31/2022	1 MO*	YTD	Q4 2022*	Q3 2022*	Q2 2022*	Q1 2022*	1 YR	Cumulative Since Inception* (March 1, 2021)
Sprott Resource Alpha Separately Managed Account	**-0.41**	**-6.27**	**19.37**	**-2.09**	**-27.09**	**9.98**	**-6.27**	**7.83**
Blended Benchmark[1]	-0.87	3.36	19.65	-7.90	-23.26	22.22	3.36	10.60

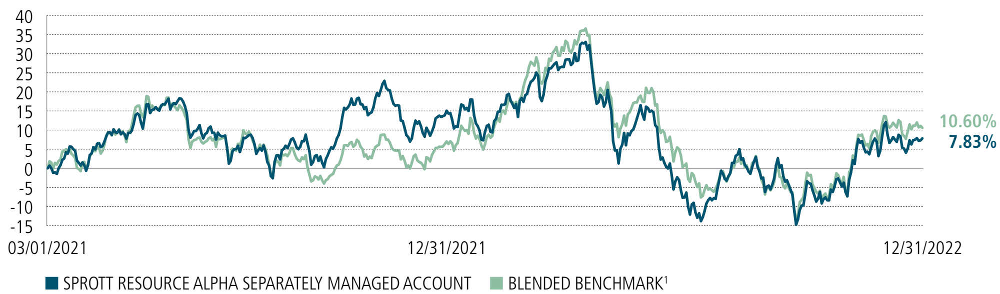
Past performance is not indicative of future returns. Please see important information on page x.

* Not annualized

[1] The benchmark is a composite of the following underlying benchmarks at equal weights and rebalanced quarterly; Morningstar Global Upstream Natural Resources Total Return Index (MUNRT), NYSE Arca Gold Miners Index (GDMNTR), and the S&P/TSX Global Mining Total Return Index (TXGMAR). The S&P/TSX Global Mining Total Return Index is a Canadian dollar-denominated index that is converted to USD via Bloomberg.

[2] The performance results shown do not reflect trading in any client's account, but reflect solely a model portfolio. Your investment advisor puts your assets to work by following the model portfolio. The Sprott Asset Management USA, Inc., performance team ran actual composites of each underlying account in the portfolio. As your advisor; we are responsible for the trading of the separately managed account program. After our analysis, we do not believe there are any material differences between the model portfolio and the actual composite, which is less than 2.10% and net of advisory fees.

Cumulative Daily Performance (3/1/2021 – 12/31/2022)



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Portfolio Composition

The Strategy was mostly in a capital allocation posture throughout the quarter, deploying nearly all of the cash that remained at the end of the last quarter and is now almost fully invested.

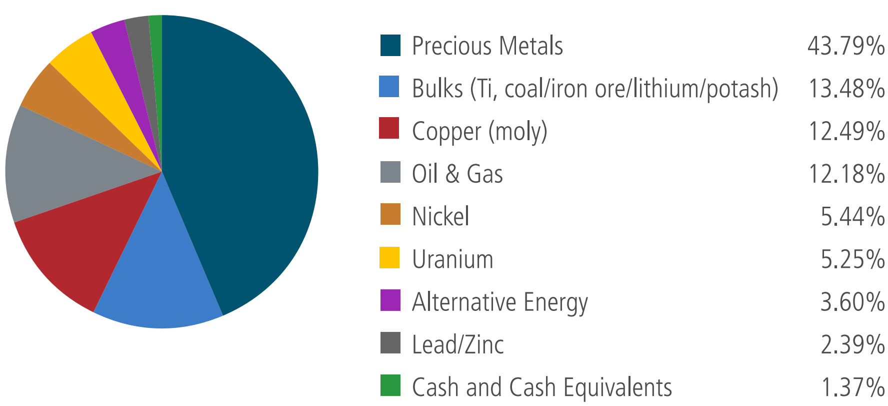
Three positions had grown overweight and some of the gains were harvested (Reunion Gold Corporation, Bellevue Gold Ltd and SLB) with another investment sold outright as the original investment thesis could no longer be rationalized (Mandrake Resources Limited). Lastly, three positions were culled due to heightened risks associated with their businesses in 2023 (Pan American Silver Corp., Marathon Gold Corporation and West African Resources Limited).

Two of the purchases throughout the quarter were additions to existing holdings (Altius Renewable Royalties Corp. and G2 Goldfields Inc.) whilst four new positions were established (Solaris Resources Inc., Triple Flag Precious Metals Corp., Centamin plc and Ecora Resources PLC). Solaris boasts one of the best undeveloped copper deposits globally, and is a position previously owned by the Strategy which was sold at substantially higher prices. Centamin operates a large gold mine in Northeast Africa, whereas Triple Flag and Ecora operate exceptionally profitable royalty businesses in precious metals and bulk metals, respectively.

The current portfolio makeup includes a 63% allocation to North American equities, 24% allocation to Australian-listed companies and a further 11% invested in European equities.

Commodity Sector Breakdown

The specific breakdown of commodities to which the portfolio is exposed is as follows:



Data as of 12/31/2022.

Q4 2022 Performance Contributors

Bellevue Gold Ltd (ASX: BGL)

Bellevue shone bright during the fourth quarter with the company up 59.59% and contributing 1.57% to the Strategy. The strong performance was a result of the company's thus far successful build of their flagship mine, with earth works complete and structural work advancing. The project remains on-track for first production in the second half of 2023. Mine development was also ahead of schedule and permitting approval of the processing plant was secured in November 2022, with construction of the processing plant currently underway.

Bellevue took advantage of the momentum in its share price by raising A$60 million in early December. The raise will enable the company to accelerate underground development to open up additional mining fronts, reduce post production unit costs and fund regional exploration while acting as a buffer for potential future cost overruns. Bellevue's cash balance now sits at over A$100 million, with A$200 million still available to draw on the credit facility. With 90% of construction expenses already under contract, the market has rewarded Bellevue for bucking the trend of cost-overruns that has plagued much of the industry.

Adriatic Metals Plc (ASX: ADT)

Adriatic had a very strong quarter, rising ~60% in USD terms over the last three months of the year and contributing 1.09% to the Strategy's performance. The rise in share price was driven largely by multiple positive construction updates at the company's flagship Vares Project in Bosnia, with over 50% of construction now complete. The company also released promising results from exploration drilling to the north of the existing mineralized system at the Rupice deposit, showing there is potential "blue sky" resource growth to the north of the known mineralization envelope.

The company continues to guide to maiden production in Q3 of this year (2023) and is on track to becoming the world's newest silver & zinc (with minor copper, gold and barite) producer later this year.

Q4 2022 Performance Detractors

Nutrien Ltd (NYSE: NTR)

Despite record net earnings for the first nine months of 2022, Nutrien shares were weaker in the quarter due to lackluster Q3 results and a worse-than-expected forecast, reducing the Strategy by (-0.29%). In November, the fertilizer maker cut its full-year adjusted earnings forecast for the second time this year. The lagging quarterly earnings stemmed from a softening of potash prices early in the second half. Nutrien expects global potash shipments to slow for the balance of the year due to higher inventories and lower purchase volumes in North America and Brazil. Although the short term appears tumultuous for Nutrien, the company sees longer-term opportunities to capitalize on supply challenges in fertilizer markets well beyond 2023. The company plans to ramp up potash production capacity to 18 million tonnes by 2025, advance nitrogen projects, and continue to grow its retail network in Brazil.

Q4 2022 Mergers & Acquisitions ("M&A")

OZ Minerals Limited (ASX: OZL)

The mining giant BHP Group Limited has helped to popularize the phrase "future facing minerals" in recent years as it sharpens its focus on metals important to the renewable energy transition. During the quarter they put their money behind the rhetoric, outlaying A$9.6 billion for ASX listed OZ Minerals in a binding takeover proposal. The $28.25 per share cash offer represents ~50% premium to the OZ share price in August the day prior to BHP's initial proposal. OZ Minerals operated a portfolio of copper and nickel assets headlined by the large Carrapateena copper-gold mine in South Australia and the West Musgrave nickel-copper development project in Western Australia.

The transaction marked BHP's largest acquisition in over a decade and strengthens its position as a major copper producer; leveraging complementary assets with their Oak Dam project in South Australia nearby for potentially major cost-saving synergies. We see this deal as a key domino falling at the leading edge of a coming wave of M&A in the upstream energy transition sector, as businesses look to position themselves to provide raw materials into a growing demand profile.

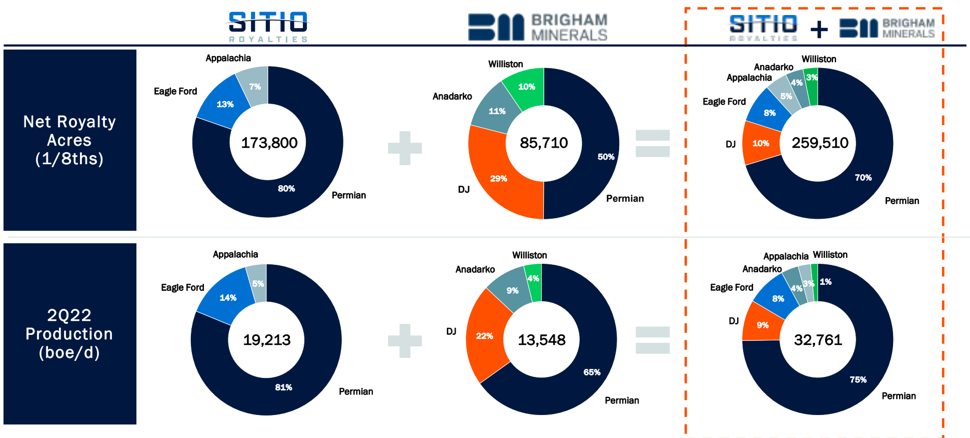
OZ Minerals was a 1.75% weighting in the Strategy at the end of the quarter.

Brigham Minerals, Inc. (NYSE: MNRL)

On September 6, 2022 Brigham Minerals, Inc. and Sitio Royalties Corp. agreed to merge in a US$4.8 billion all-stock deal. The combination will create one of the largest publicly traded mineral and royalty companies in the U.S. The combined company, which will retain Sitio Royalties' name, will control ~260,000 net royalty acres operated by a diverse set of E&P (exploration and development) companies. Approximately 70% of Sitio's net royalty acres will reside in the highly desirable Permian Basin in West Texas. The deal is expected to positively affect costs per barrel metrics for the combined company. Sitio will use the additional scale to consolidate new mineral and royalty interests in top U.S. oil-producing regions.

Brigham was a 3.26% weighting in the Strategy at the end of the quarter.

Figure 1. Combined Company Exposure to U.S. Oil-Producing Regions



Note: NRAs pro forma for all acquisitions and divestitures completed by both companies in 2022 and MNRL's pending announced acquisition of Avant MNRL's 2Q22 production pro forma for the announced Avant acquisition and excludes divested assets.

Source: Brigham Minerals, Inc./Sitio Royalties Corp. September 6, 2022 merger presentation.

Concluding Comments

The calendar year 2022 marked the first year since the 1870s that U.S. stocks and long-term bonds both fell by more than 10%. Some days it felt like there was simply no safe haven for investors as asset classes that were historically defensive seemed to decouple from tradition. Be it Russian's land invasion of Ukraine, China's "zero-COVID" policy or the abrupt tightening of the U.S. Federal Reserve's monetary policy; investors had plenty of explanations to rationalize the year's poor performance. This Strategy was no exception and finished the year down about 6% from where it started. Whilst that might not sound like outperformance, in a year in where very few asset classes except the U.S. dollar generated positive returns, this Strategy actually did a reasonably good job of hedging our investors against much larger drawdowns that other investors likely endured.

One of the worst performing asset classes last year was the tech sector, which, following nearly two decades of consistent outperformance had left investors with a false sense of security that this industry was infallible. Some lessons are best learned the hard way and there is now a growing understanding among investors for the need to have hard assets in a well-balanced portfolio.

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Generally, natural resources investments are more volatile on a daily basis and have higher headline risk than other sectors as they tend to be more sensitive to economic data, political and regulatory events as well as underlying commodity prices. Natural resource investments are influenced by the price of underlying commodities like oil, gas, metals, coal, etc.; several of which trade on various exchanges and have price fluctuations based on short-term dynamics partly driven by demand/supply and also by investment flows. Natural resource investments tend to react more sensitively to global events and economic data than other sectors, whether it is a natural disaster like an earthquake, political upheaval in the Middle East or release of employment data in the U.S. Sprott Asset Management USA, Inc., ("Sprott USA") affiliates, family, friends, employees, associates, and others may hold positions in the securities it recommends to clients, and may sell the same at any time.

Sprott USA is responsible for the execution of the strategy in connection with the separately managed account program. The performance results shown do not reflect trading in any client's account, but reflect solely a model portfolio (see footnote 2 on page 1), and are net of advisory fees, and reflect performance of that account commencing as of March 1, 2021, although the actual trading in internal account to execute the strategy commenced on March 2, 2021.

The information has been provided for illustrative purposes only, and should not be relied upon by you in evaluating the merits of investing in any securities or strategies mentioned herein

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