



Gold and Silver: Precious Metals On the Move

Webcast: May 14, 2024

Sprott

Featured Speakers



John Hathaway, CFA

Managing Partner, Sprott Inc. and Senior Portfolio Manager, Sprott Asset Management USA, Inc.

John Hathaway joined Sprott Asset Management USA, Inc. in January 2020. Mr. Hathaway is a Senior Portfolio Manager of Sprott Hathaway Special Situations Strategy and Co-Portfolio Manager of the Sprott Gold Equity Fund. Previously, Mr. Hathaway joined Tocqueville Asset Management L.P. in 1997 where he was a Co-Portfolio Manager of the Tocqueville Gold Fund as well as other investment vehicles in the Tocqueville Gold Equity Strategy. He was also the Portfolio Manager of private funds. Prior to joining Tocqueville, Mr. Hathaway co-founded and managed Hudson Capital Advisors followed by seven years with Oak Hall Advisors as the Chief Investment Officer in 1986. In 1976, he joined the investment advisory firm David J. Greene and Company, where he became a Partner. Mr. Hathaway began his career in 1970 as an Equity Analyst with Spencer Trask & Co. Mr. Hathaway earned a B.A. from Harvard College and an MBA from the University of Virginia. Mr. Hathaway was also the Chairman of Tocqueville Management Corporation, the General Partner of Tocqueville. He also holds the CFA® designation.



Maria Smirnova, MBA, CFA

Managing Partner, Sprott Inc. and Senior Portfolio Manager & Chief Investment Officer, Sprott Asset Management

Maria Smirnova has over 24 years of investment experience. She first joined Sprott Asset Management LP in 2005 as a research associate supporting the metals and mining team. She currently serves as Lead Portfolio Manager of a Sprott Sub-Advised Silver Equities Fund and Co-Portfolio Manager of another Sprott Sub-Advised Gold and Precious Minerals Fund. Maria is also a Portfolio Manager on the investment team for Sprott Gold Equity Fund (SGDLX). Prior to joining Sprott, Maria served as a Product Development Analyst at Fidelity Investments. Ms. Smirnova holds a Master of Business Administration degree and a Bachelor of Commerce degree from the Rotman School of Management, University of Toronto. She has been a CFA® charterholder since 2002.



Edward C. Coyne

Senior Managing Partner, Global Sales, Sprott Inc.

Ed Coyne* joined Sprott in January 2016 and has more than 25 years of investment management and sales experience. Mr. Coyne is the host of Sprott Radio, a lively podcast series that provides in-depth intelligence on precious metals and energy transition investments, featuring subject matter experts. Before joining Sprott, he was a Principal and Investment Specialist for 18 years at Royce & Associates, a small-cap value manager located in New York City and the investment adviser to The Royce Funds. Before joining Royce, Mr. Coyne worked with Zweig Mutual Funds and Neuberger Berman as a Regional Sales Director. He began his career at Reich & Tang, a provider of deposit, liquidity and cash management solutions for banks, broker-dealers, investment advisors, institutional investors and public entities. Mr. Coyne earned his Bachelor of Science in Architectural Studies from the University of Missouri. He also holds a Series 7 license, administered by the Financial Industry Regulatory Authority (FINRA).

*Edward C. Coyne is a Registered Representative of Sprott Global Resource Investments Ltd.

Webcast Outline

Gold Performance and Outlook

- John Hathaway

Silver Performance and Outlook

- Maria Smirnova

Portfolio Allocation and Q&A

- Ed Coyne



A Global Leader in Precious Metals and Critical Materials Investments



US\$29.4B in AUM¹

Spratt (SII) is publicly listed on the NYSE and TSX

Exchange Listed Products	Managed Equities	Private Strategies
\$23.8 Billion AUM	\$2.9 Billion AUM	\$2.6 Billion AUM
<ul style="list-style-type: none"> Physical Bullion Trusts (NYSE Arca & TSX Listed) Physical Uranium Trust (TSX Listed) Spratt Energy Transition ETFs (Nasdaq or NYSE Arca Listed) Gold Mining Equity ETFs (NYSE Arca Listed) 	<ul style="list-style-type: none"> Flagship U.S. Gold Equity Mutual Fund Closed-End Value Fund (Nasdaq) Energy Transition Critical Minerals Strategy Spratt Hathaway Special Situations Strategy 	<ul style="list-style-type: none"> Bespoke credit investments to mining and resource companies

¹Spratt AUM as of March 31, 2024.



John Hathaway

Gold Performance and Outlook

Sprott's 2024 Outlook on Gold and Gold Mining Equities

Gold bullion is in a bull market

- Has broken out decisively from a three-year consolidation between \$1,600 and \$2,040
- Powerful chart pattern suggests significant gains still to come

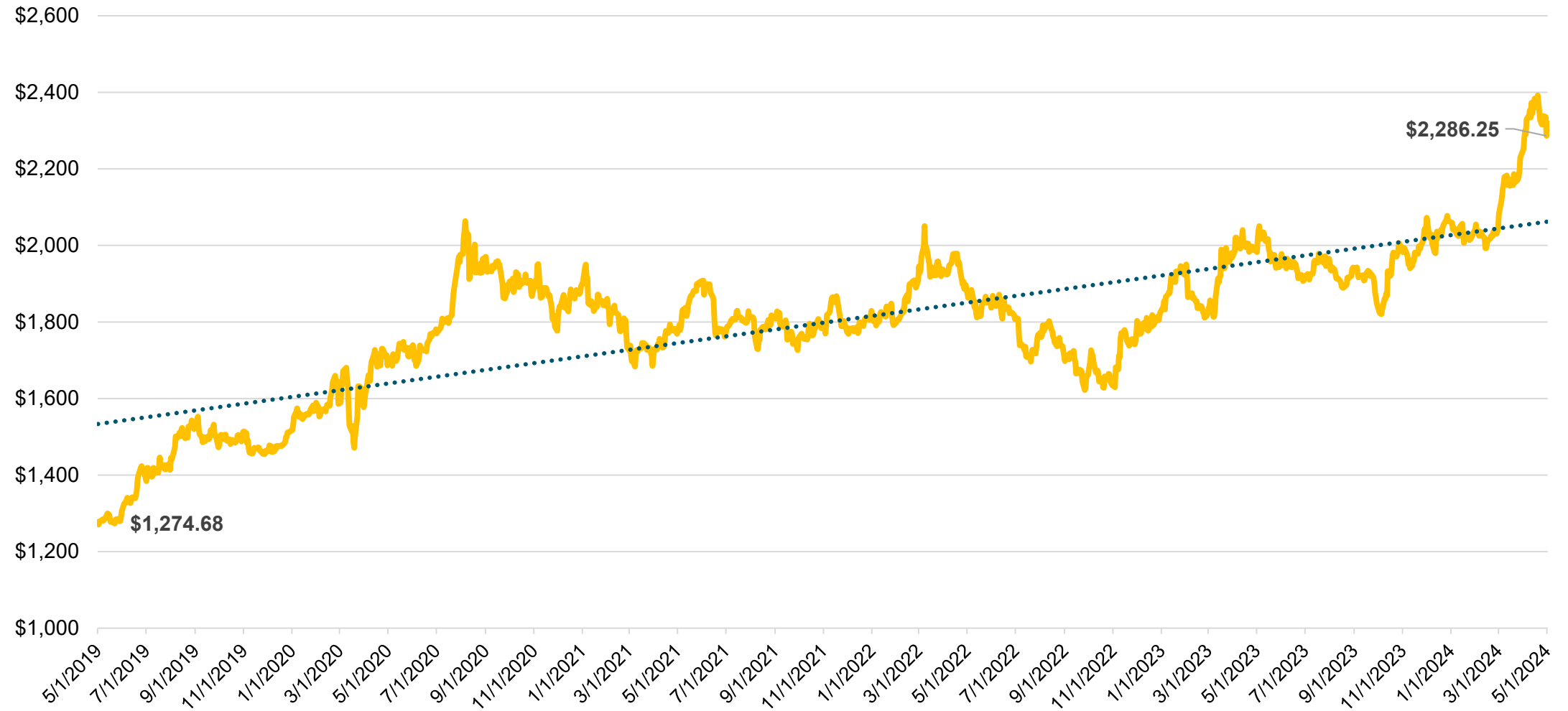
Gold mining stocks are beginning to wake up

- Still lagging considerably behind bullion
- Considerable leverage to higher gold prices
- Yet to be awakened interest from investors in Western capital markets could lift gold to trade in the \$2,500-\$3,000 range, up 10%-30% from current levels

Opinion subject to change without notice.

¹Source: World Gold Council, 10/31/2023, [Robust central bank demand in Q3; hits year-to-date record](#).

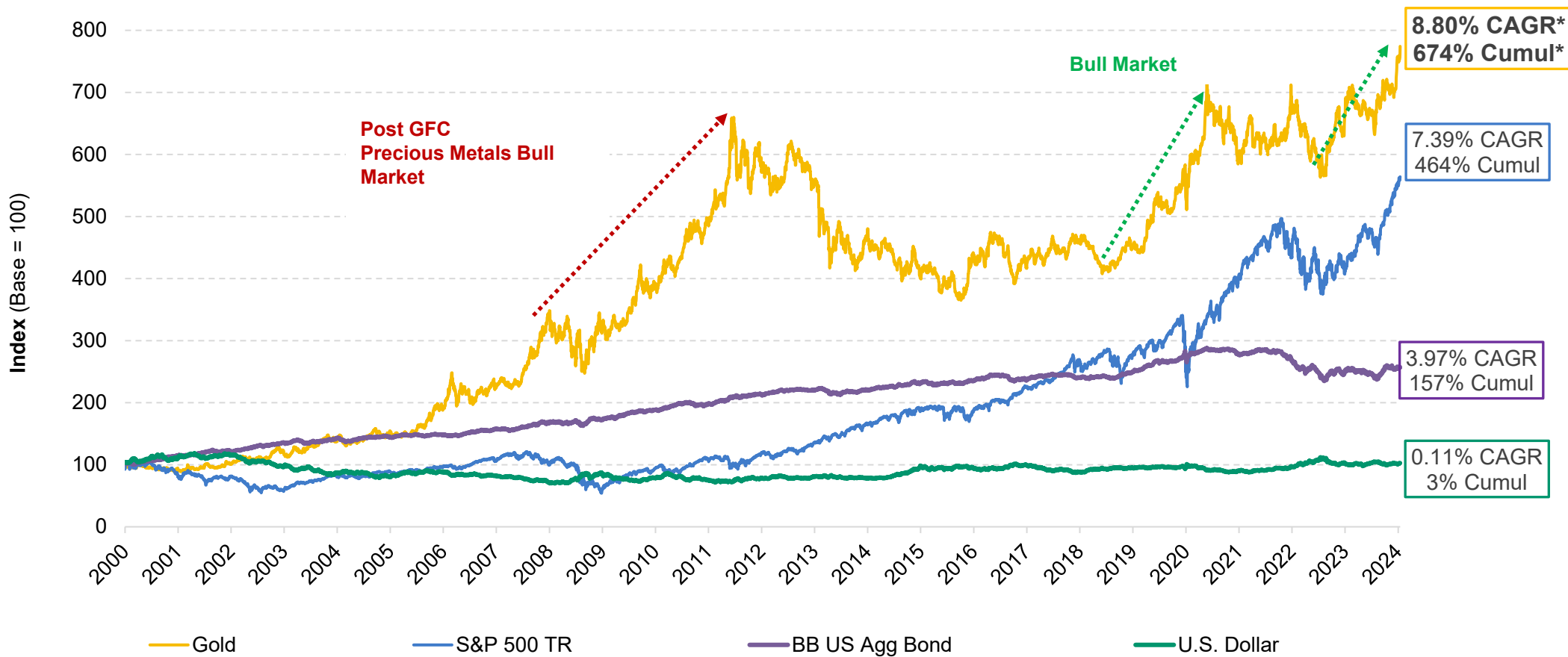
Gold Five-Year Performance Chart



Source: Bloomberg. Data as of 5/1/2024.

Long-Term Performance: Gold Leading the Pack

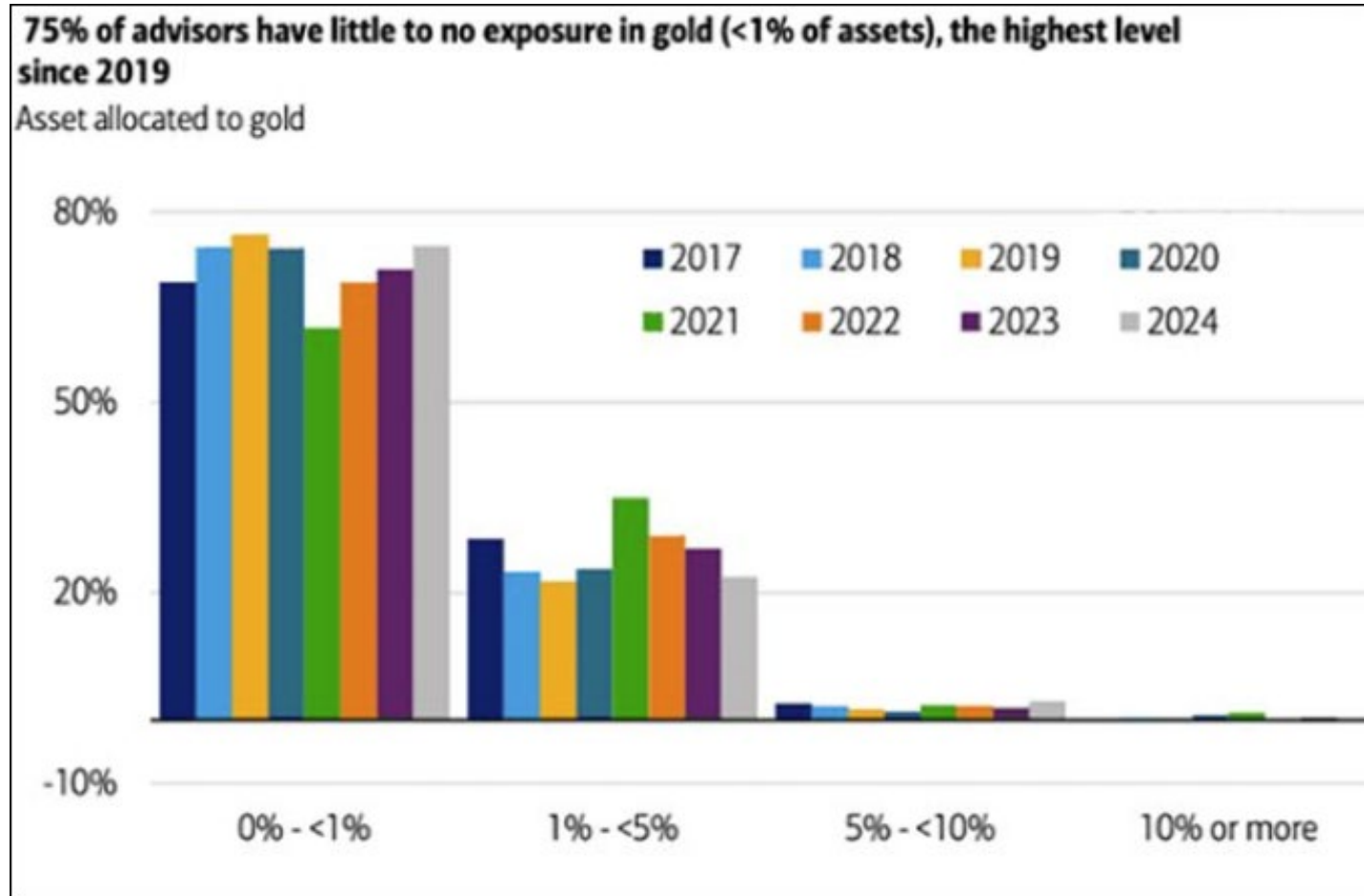
Gold vs. Stocks, Bonds and USD
Returns for Period from 12/31/1999-3/31/2024



*CAGR refers to compound annual growth rate; "Cumul" refers to cumulative total return.

Source: Bloomberg. Period from 12/31/1999-3/31/2024. Gold is measured by GOLDS Comdty Spot Price; S&P 500 TR is measured by the SPX; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); and the U.S. Dollar is measured by DXY Curncy. You cannot invest directly in an index. **Past performance is no guarantee of future results.**

Advisors Hold Little Gold

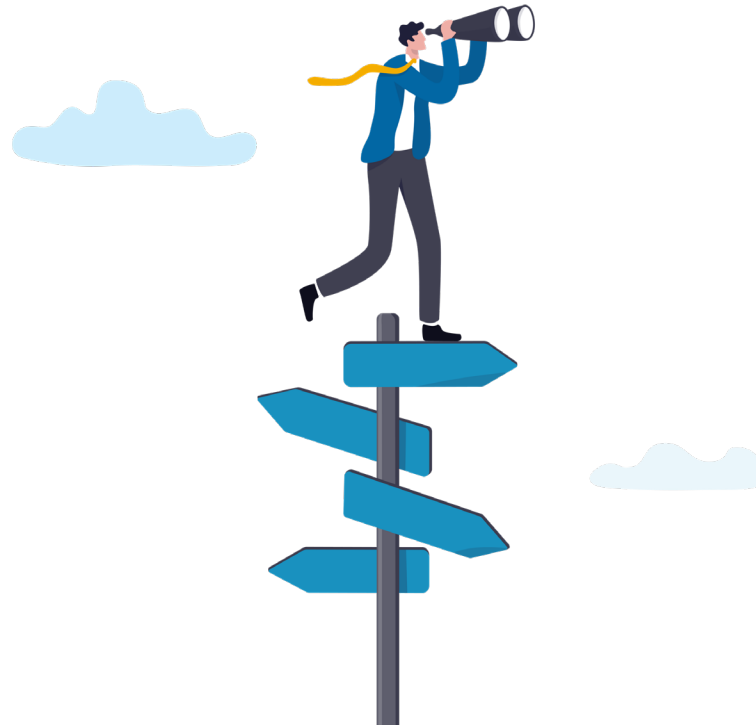


Source: BofA Global Research. Data as of 2/26/2024.

Analysts Are Underestimating the Gold Price

Gold price: Reached a high of \$2,432 per ounce on April 12, 2024.

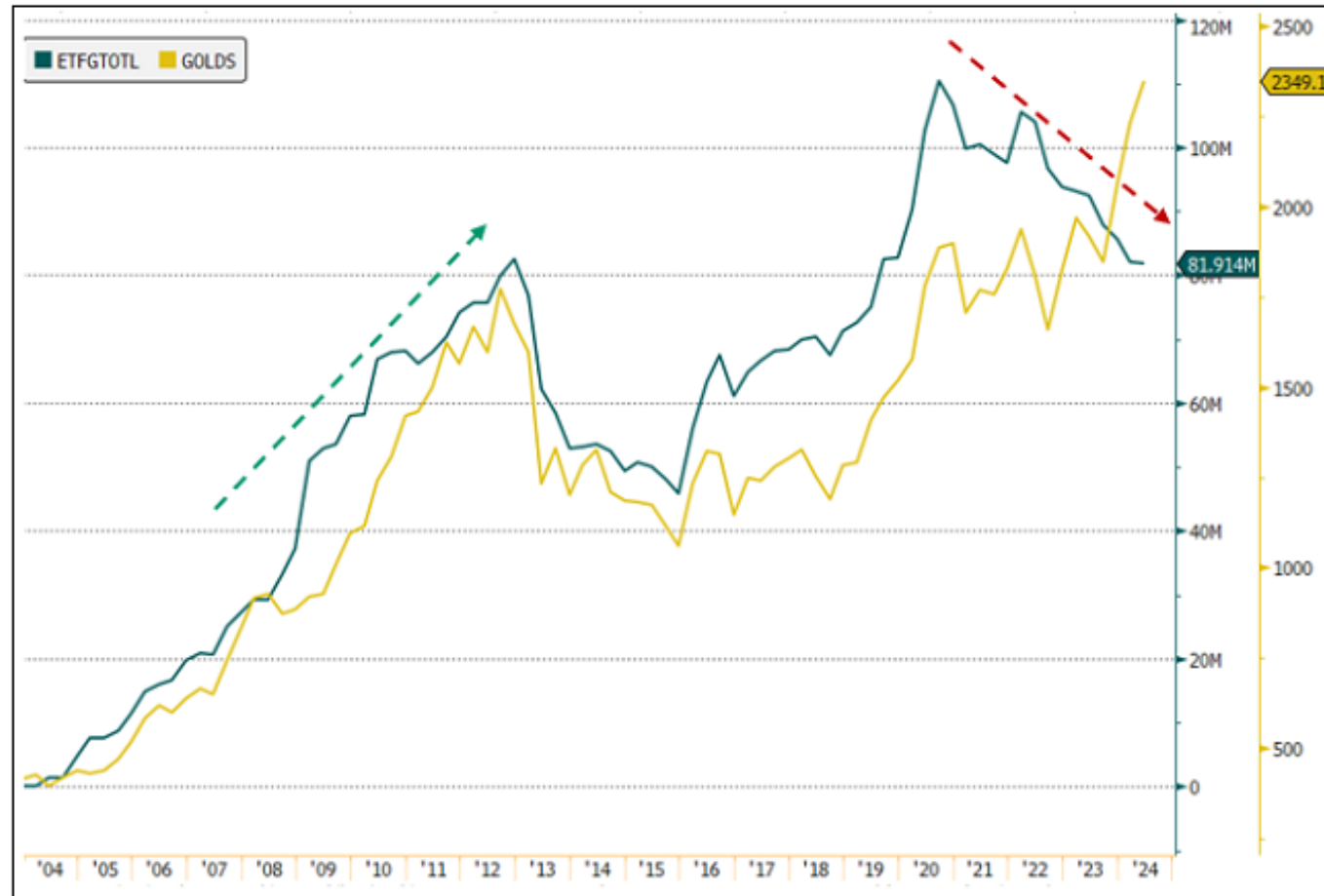
	Q2 2024	Q3 2024	Q4 2024	Q1 2025	2024	2025	2026	2027
Gold Price Forecast	\$2,100	\$2,106	\$2,150	\$2,120	\$2,100	\$2,070	\$1,900	\$1,825



Source: Bloomberg. Data as of 3/31/2024.

Gold ETFs Flows vs. the Gold Price (2004-2024)

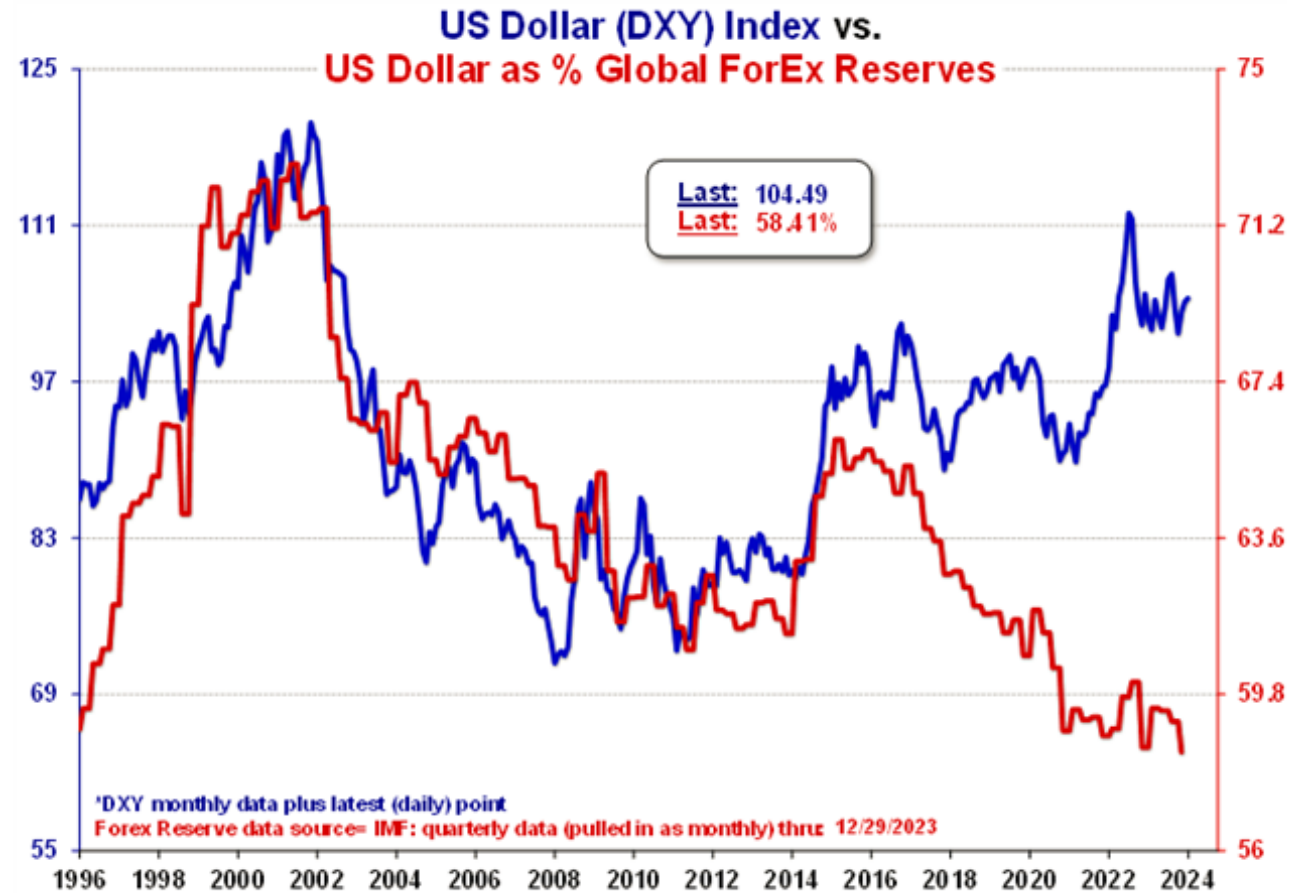
A gold rally is underway despite low Western interest (gold-backed ETF assets are down 33% from 2020 peak).



Source: Bloomberg. Data as of 4/9/2024.

U.S. Dollar Share of Global ForEx Reserves Drops to Lowest Since Q3 1995: 58.4%

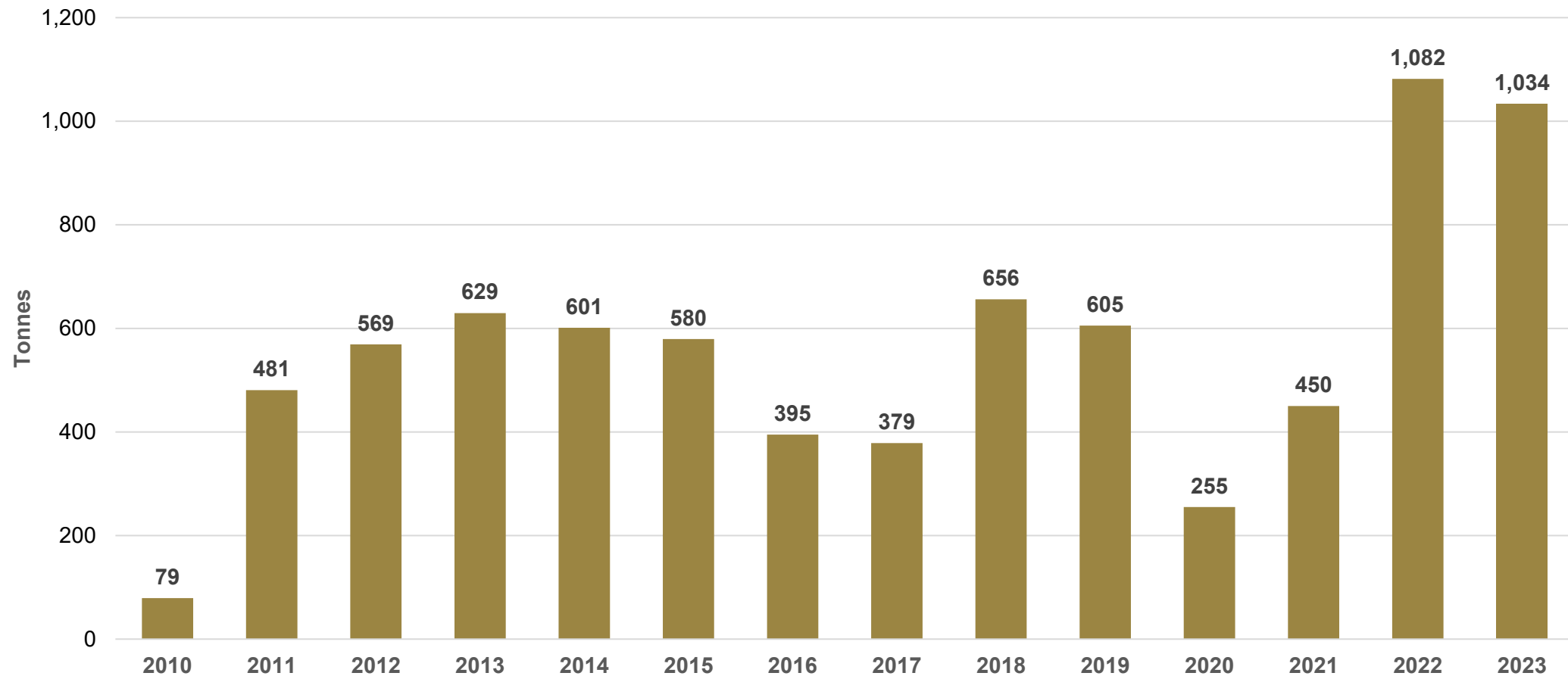
Non-U.S. investors have been voting with their feet, as the steady decline in the USD as a share of global foreign exchange (ForEx) reserves illustrates.



Source: Meridian Macro. Data as of 12/29/2023.

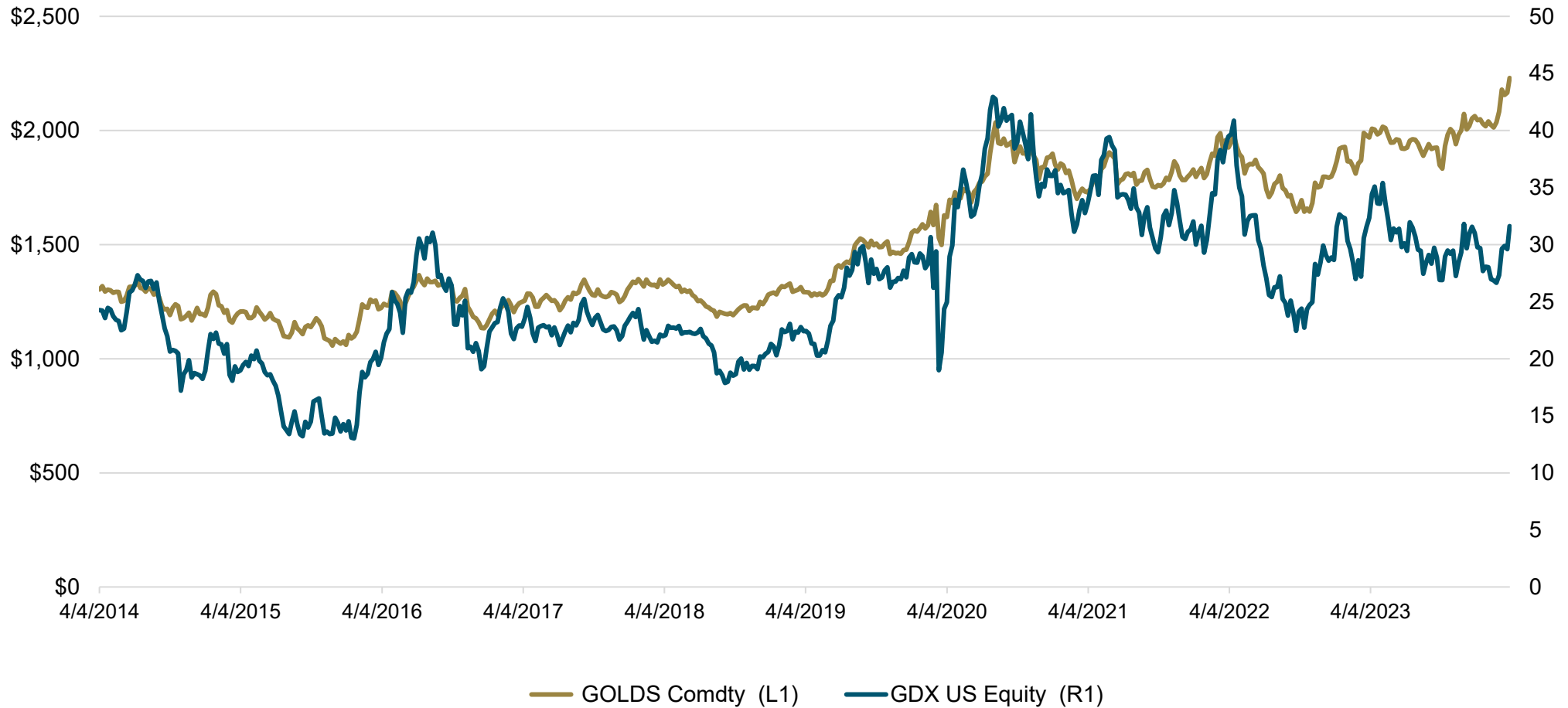
Central Banks Are Large Buyers of Gold

Unprecedented central bank buying, seeking diversification away from USD (U.S. Treasury Bonds).

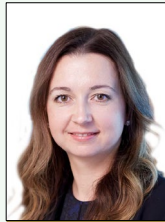


Source: World Gold Council. Data as of 3/31/2024.

Gold Bullion vs. Gold Mining Stocks (2014-2024)



Source: Bloomberg. Data as of 3/31/2024.



Maria Smirnova

Silver Performance and Outlook

Silver's Bullish Flag Pattern



Source: Bloomberg. Silver bullion spot price, U.S. dollar/oz. Data as of 5/6/2024.

Silver ETF Flows

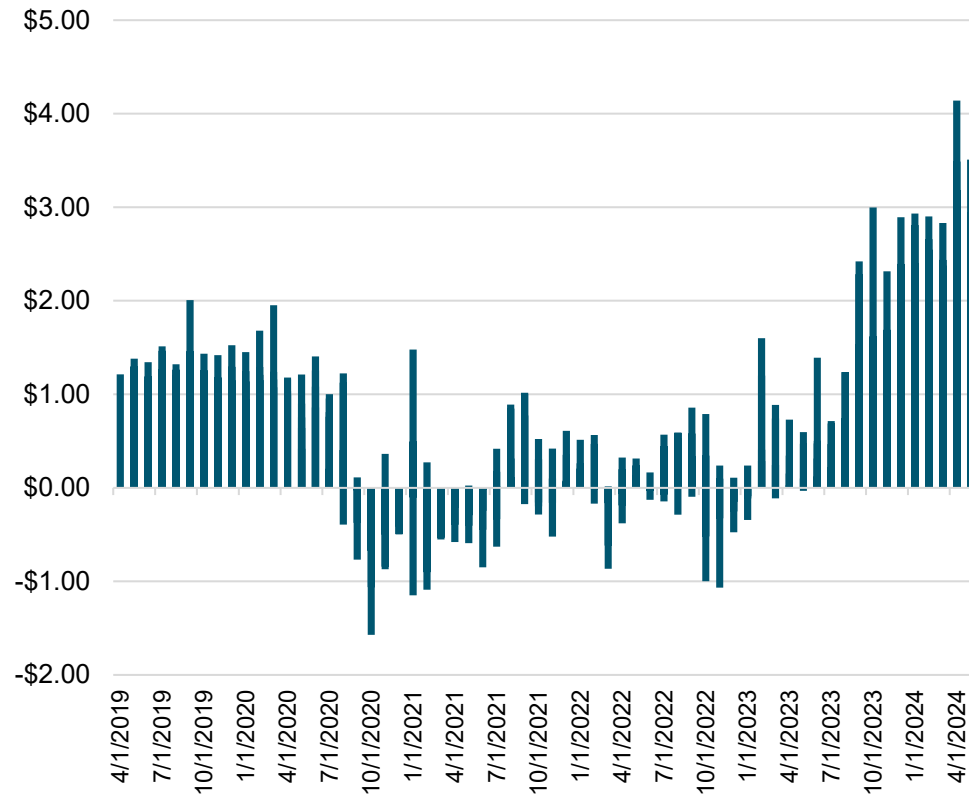
Silver Spot Price vs. Total Known ETF Holdings of Silver



Source: Bloomberg. Data as of 5/3/2024.

West vs. East Silver Demand

Shanghai Silver Premium



Source: Bloomberg. Data to 5/3/2024.

Top Shanghai Trader Positioning, Silver



Source: SHFE, TDS Commodity Strategy. Data to 5/7/2024.

Strong Physical Silver Demand Leading to Silver Deficits

Million ounces	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	Year on Year 2024F
Supply												
Mine Production	882	897	900	864	851	837	783	829	837	831	824	-1%
Recycling	160	147	146	147	149	148	164	174	177	179	179	0%
Net Hedging Supply	11	2	0	0	0	14	8	0	0	0	0	na
Net Official Sector Sales	1	1	1	1	1	1	1	2	2	2	2	-9%
Total Supply	1,054	1,047	1,046	1,012	1,000	1,000	957	1,004	1,015	1,011	1,004	-1%
Demand												
Industrial	450	457	489	526	524	523	510	561	588	654	711	9%
- of which Electrical/Electronics	270	272	309	340	331	327	322	351	371	445	486	9%
- of which photovoltaics	48	60	82	99	87	75	83	89	118	194	232	20%
Photography	41	38	35	32	31	31	27	28	27	27	26	-3%
Jewelry	193	203	189	196	203	202	151	182	235	203	211	4%
Silverware	53	58	54	59	67	61	31	41	74	55	59	7%
Net Physical Investment	283	309	213	156	166	187	208	284	337	243	212	-13%
Net Hedging Demand	0	0	12	1	7	0	0	4	18	12	0	na
Total Demand	1,021	1,065	992	971	999	1,004	927	1,100	1,279	1,195	1,219	2%
Market Balance	34	-19	55	40	2	-4	31	-95	-264	-184	-215	17%
Net Investment in ETPs	0	-17	54	7	-21	83	331	65	-126	-42	50	na
Market Balance less ETPs	34	-1	1	33	23	-87	-301	-160	-138	-142	-265	87%

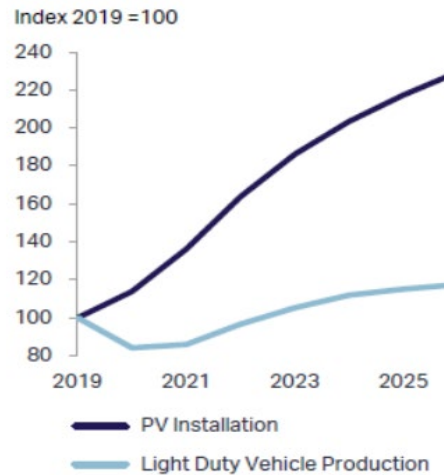
Source: The Silver Institute, Metals Focus (April 2024).

Industrial Use Is Taking Over as the Driving Force of Physical Demand

(April 17, 2024 – New York) – The Silver Institute:

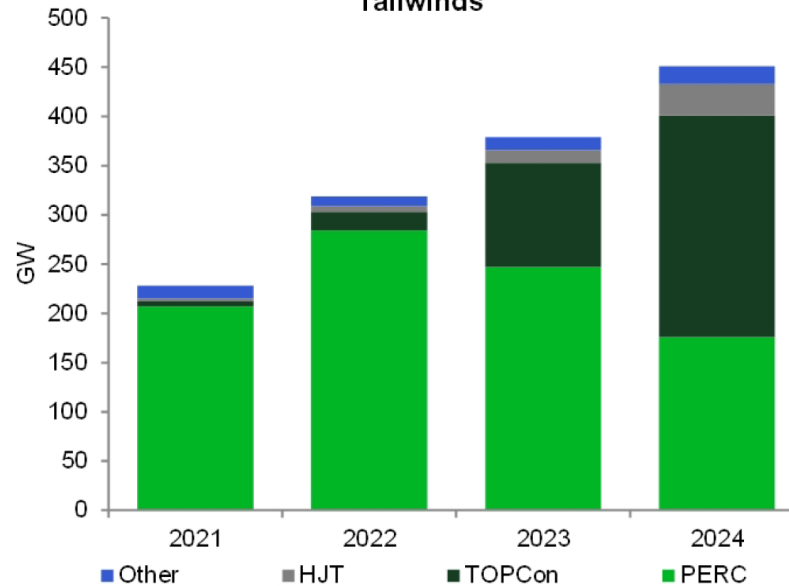
- Silver Industrial demand grew 11% to a record 654 million ounces in 2023
- The electrical and electronics sector grew 20% to 445.1 million ounces last year
- Key drivers in this growth are rooted in a strong green economy, including investment in photovoltaics (PV), power grids and 5G networks, as well as increased use of automotive electronics and supporting infrastructure. Improvements in PV were particularly noticeable as the increase in cell production exceeded silver thrifting, which helped drive electronics and electrical demand higher

Longer-Term Industrial Demand Indicators



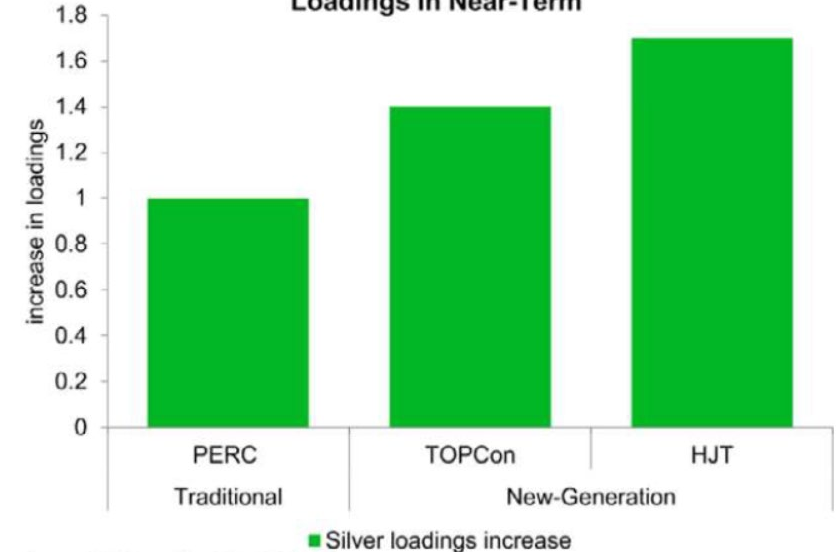
Source: GTM, Metals Focus, LMC Automotive, A Global/Data Company.

PV Growth Continues to Provide Demand Tailwinds



Source: TD Securities, Metals Focus.

Next-Gen Solar Technology to Support Silver Loadings in Near-Term



Source: TD Securities, World Silver Survey.

Solar Becoming a Major Part of Silver Market

Supply	2015	2021	2022	2023	2024F	9 YR Cpd	2030*
Mine Production	897	829	837	831	824	-0.9%	845
Recycling	147	174	177	179	179	2.2%	204
Other	3	2	2	2	2	-8.4%	4
Total Supply	1,047	1,004	1,015	1,011	1,004	-0.5%	1,053

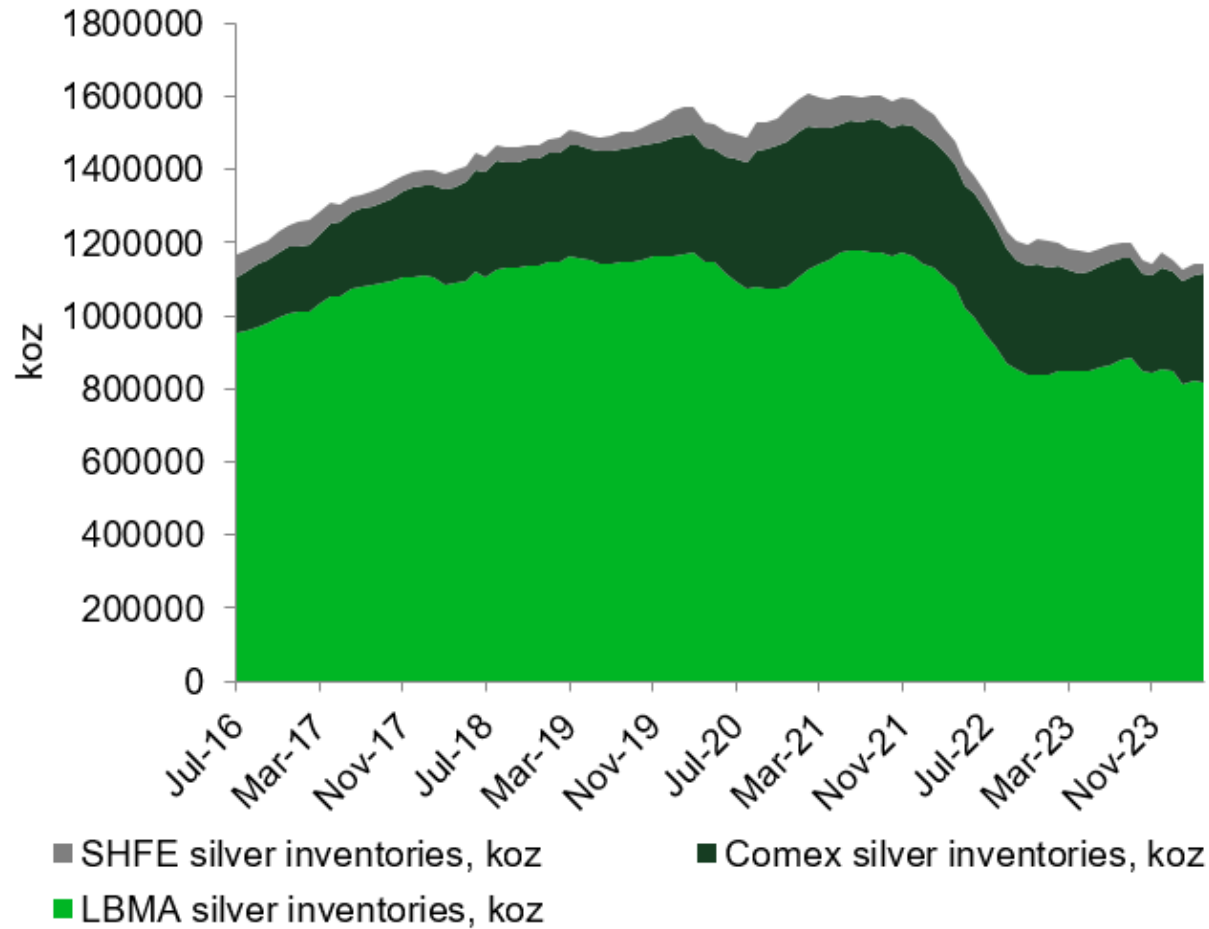
Demand	2015	2021	2022	2023	2024F	9 YR Cpd	2030
Photovoltaics	60	89	118	194	232	16.3%	370
Electrical & Electronics	213	262	253	252	254	2.0%	285
All Other Industrial & Consumer	484	461	553	495	522	0.8%	548
Physical Investment & Hedging	309	288	355	255	212	-4.1%	165
Total Demand	1,065	1,100	1,279	1,195	1,219	1.5%	1,369

Market Balance	(18)	(95)	(264)	(184)	(215)		(316)
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*Spratt Asset Management calculations as of 3/31/2024.
Sources: Silver Institute, Bloomberg NEF, IEA, Spratt.

Silver's Dwindling Inventories

Silver Inventories Have Declined ~480M oz Since February 2021

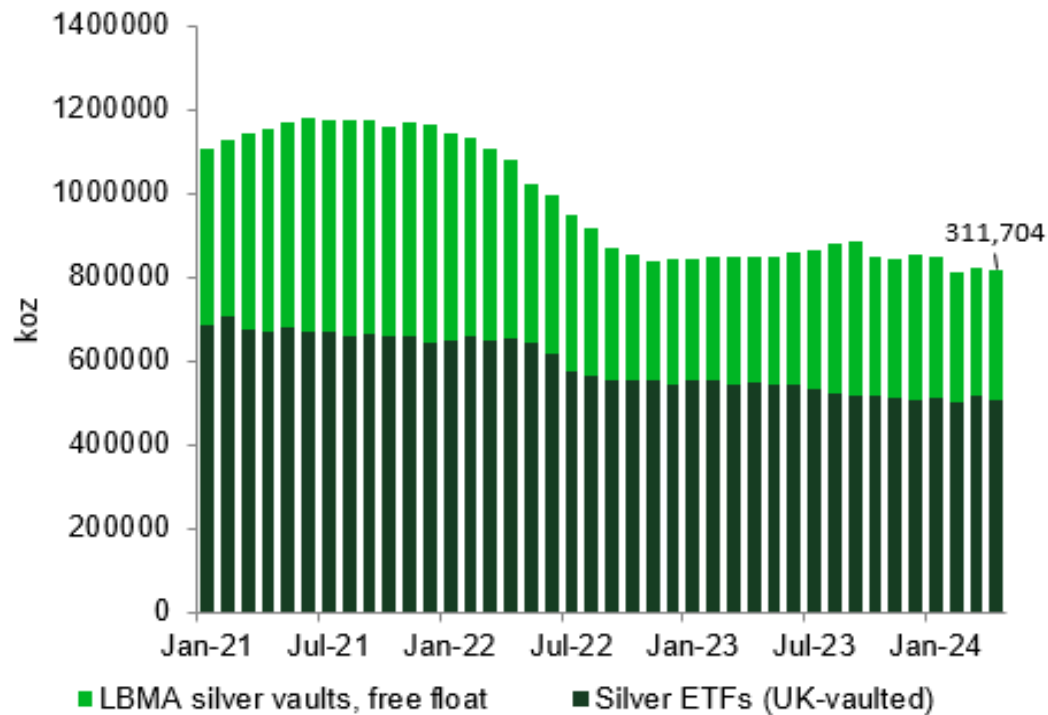


Source: TD Securities, Independent Precious Metals Authority (LBMA), Commodity Exchange (Comex), Shanghai Futures Exchange (SHFE), Bloomberg. Data to April 2024.

Silver's Dwindling Inventories

Unencumbered silver holdings in LBMA vaults only represent approximately ~1.7 days of Loco London trading volumes.

How Much Silver is Really “Freely Available” for Purchase?



Source: TD Securities, LBMA. Data to April 2024.

Market Metrics

As at end of Apr-24, the amount of silver held in London vaults was 818.90 m ozs. This is down 4.57 m ozs from the previous month and down 29.70 m ozs year-on-year.

Of these holdings, 62% are earmarked:

=> 504.3m ozs are held by ETFs providers and safe-kept in London vaults (own estimates* from public records)

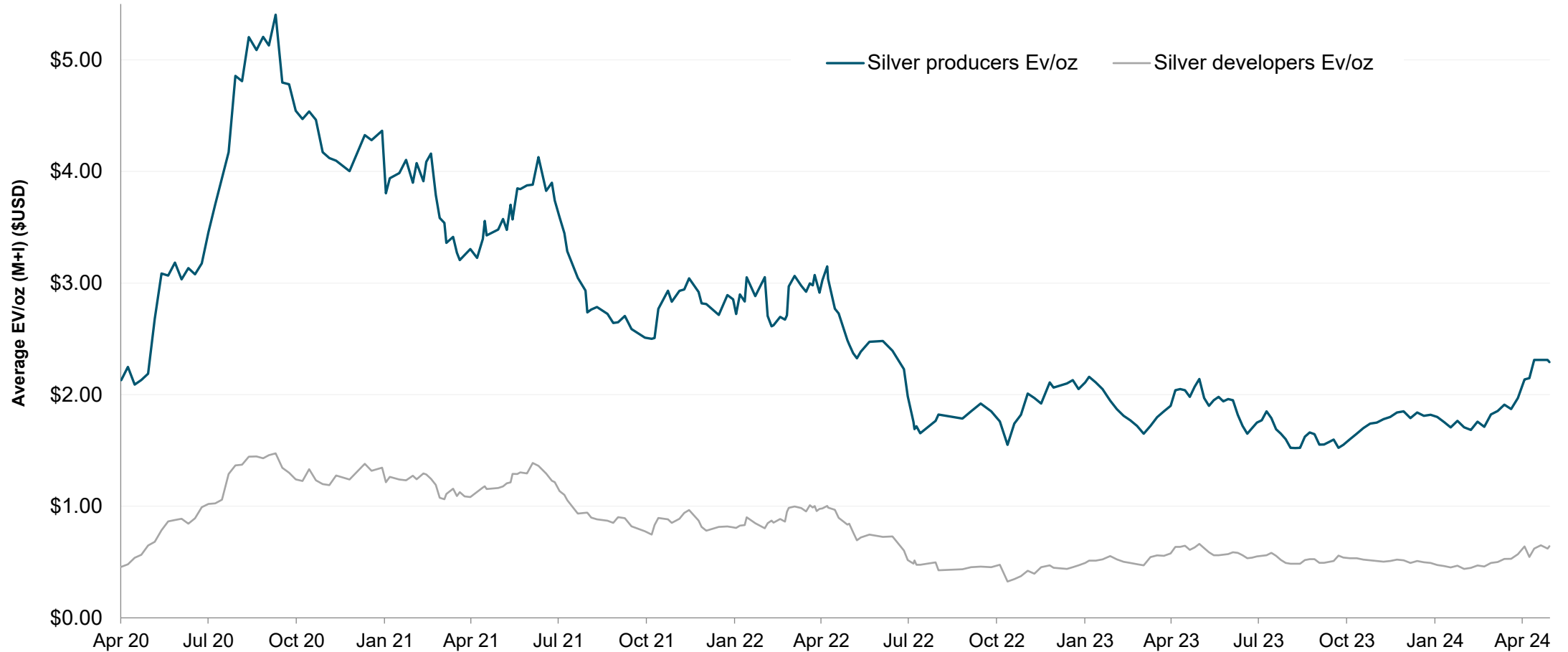
Hence, by our account, that leaves 314.5m ozs of unencumbered silver holdings - free float to which holders of unallocated credit could request physical allocation (some unreported private holdings [allocated] may also be accounted for in this figure nonetheless).

* We run Bloomberg's all-known ETF holdings data by vault locations to get a more precise vaults holdings overview

Source: Kyte Broking, April 2024.

Silver Miners Valuations at Lows

Silver Developers and Silver Producers – Average Enterprise Value (EV)/oz (M+I)*



* Enterprise value (EV) is a measure of the value of a company; M+I refers to “Measured or Indicated”.
Source: RBC Capital Markets, company reports, FactSet. Data to 5/5/2024.



Ed Coyne

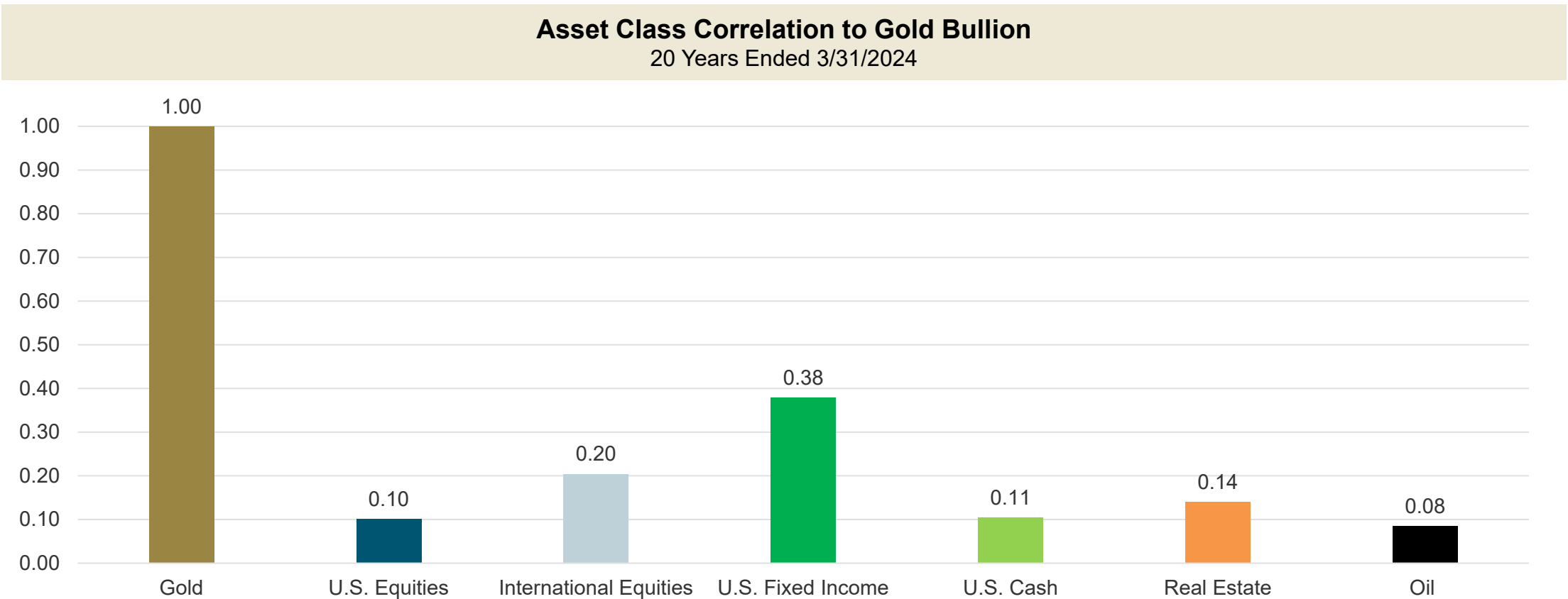
Portfolio Allocation and Q&A

How Do Gold & Silver Fit into an Investment Portfolio?

- “How much gold/silver exposure should I have in my portfolio?” The amount depends on several factors including:
 - investor’s risk tolerance
 - investment objectives
 - time horizon
 - income requirements
 - overall financial situation
- Sprott recommends investors allocate 10-15% of their diversified portfolio to gold/silver and gold/silver-related equities.
- We believe gold’s liquidity and historic resilience make it a valued safe haven asset during times of economic stress. We view gold as a **fixed income alternative** that can hold a permanent place in all investment portfolios.
- Physical gold is viewed as a strategic allocation, while gold-related equities can be a useful tactical allocation. Silver often provides leverage to gold performance and holds dual potential as a precious and industrial metal.

Gold Has Provided Low Correlation

Gold has provided low correlation to other asset classes and may have diversification benefits in broader portfolios.



Source: Bloomberg. 20-year period from 3/31/2004-3/31/2024. Gold is measured by GOLD Comdty; U.S. Equities by the S&P 500 Index; International Equities by the MSCI EAFE Index; U.S. Fixed Income by the Bloomberg Barclays US Aggregate Bond Index; U.S. Cash by the S&P US Treasury Bill 0-3 Month Index; Real Estate by the Dow Jones US Select REIT Index; and Oil by the S&P GSCI Crude Oil Total Return CME Index.

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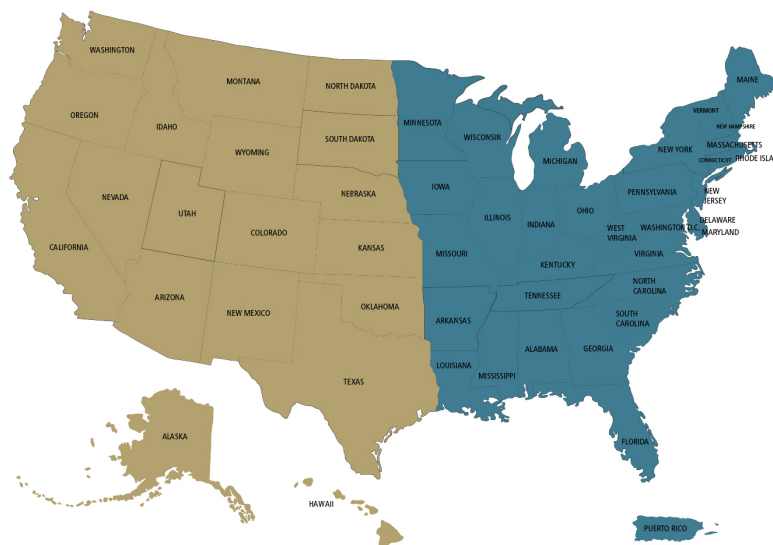
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Sprott Physical Bullion Trusts

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Sprott Gold Equity Fund

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Sprott Gold Equity Fund invests in gold and other precious metals, which involves additional and special risks, such as the possibility for substantial price fluctuations over a short period of time; the market for gold/precious metals is relatively limited; the sources of gold/precious metals are concentrated in countries that have the potential for instability; and the market for gold/precious metals is unregulated. The Fund may also invest in foreign securities, which are subject to special risks including: differences in accounting methods; the value of foreign currencies may decline relative to the U.S. dollar; a foreign government may expropriate the Fund’s assets; and political, social or economic instability in a foreign country in which the Fund invests may cause the value of the Fund’s investments to decline. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

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