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**FORM ADV PART 2A – FIRM BROCHURE**

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**Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Sprott Asset Management USA Inc. (SAM USA), a registered investment adviser. Registration does not imply a certain level of skill or training, but only indicates that SAM USA has registered its business with applicable state and federal regulatory authorities. If you have any questions about the contents of this brochure, please contact SAM USA at 1-866-531-8746. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about SAM USA is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2. Material Changes**

The below-referenced information includes only material changes since SAM USA's last annual update, dated March 2016:

*Item 4. Advisory Business:* SAM USA has added four additional investment platforms as well as an individualized program. The total assets under management has also been updated to reflect the total under management as of December 31, 2016.

*Item 5. Fees and Compensation:* Fee schedule information has been updated to reflect the applicable fee structure for the additional investment platforms. Additionally, further-clarifying information regarding how fees are assessed has been added.

*Item 8. Methods of Analysis, Investment Strategies and Risk of Loss:* Three additional investment strategies / methods of analysis have been added.

*Item 10. Other Financial Industry Activities and Affiliations:* Potential conflict of interest-related disclosure was updated to reflect that Mr. Arthur Richards Rule IV, Chairman of SAM USA, no longer provides investment advice to Casey Capital Advisors, LLC and Vancouver Venture Reports, Inc., with respect to the KCR Fund, LLC.

Form ADV Part 2B, the Firm Brochure Supplement, attached herein also includes material changes: the address of SAM USA's branch office located in Darien, Connecticut is included on the cover page; four additional supervised personnel and the requisite information has also been added.

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#### **Item 4. Advisory Business**

Sprott Asset Management USA Inc., (hereinafter “SAM USA” or the “Adviser”) is an investment advisory firm with its principal place of business in Carlsbad, California and was founded in 2005. SAM USA is owned by Sprott U.S. Holdings, Inc., a subsidiary of Sprott Inc., a Canadian public company. SAM USA commenced operations as an investment adviser and has been registered with the U.S. Securities and Exchange Commission (hereinafter “SEC”) since February 7, 2006. SAM USA also has offices in Darien, Connecticut and New York, New York.

#### **Advisory Services**

SAM USA provides investment advisory services on a discretionary basis to its clients, which include individuals and institutions with separately managed accounts (collectively, “Managed Account Clients”).

For retail Managed Account Clients, SAM USA offers eight (8) platforms as well as a program tailored to Managed Account Clients’ individual needs, as explained in further detail below:

#### **SAM USA’s Retail Platforms**

*Diversified Resource:* the Diversified Resource platform offers broad exposure to exploration, development, and production companies operating in a variety of resource-based sectors utilizing a value-oriented approach.

*Resource Income:* the Resource Income platform invests primarily in mid-to-large capitalization resource companies and utilizes put and covered call option writing strategies to seek to enhance income.

*Precious Metals:* the Precious Metals platform invests in securities of companies with producing or development stage gold, silver, or platinum group metals deposits. The program can also invest in physical bullion.

*Energy:* the Energy platform invests primarily in small-to-mid capitalization companies engaged in the production and development of oil, natural gas, uranium, coal, alternative energy and the companies that service those sectors.

*Real Asset Value+:* the Real Asset Value+ platform employs a strategy that seeks long-term exposure to real asset industries by utilizing: a bottom-up value approach to investment selection; and top-down positioning in real asset sectors, such as Agribusiness, Energy and Mining.

*Technically-Driven Opportunities:* the Technically-Driven Opportunities platform utilizes certain risk/reward parameters and emphasizes real asset classes with the goal of outperforming the market, defined as a 60 to 40 stock to bond allocation. The strategy is further driven by technical analysis and sentiment indicators such as classical charting patterns, moving average convergence divergence (MACD) indicators, relative strength index (RSI) indicators and Ichimoku cloud patterns.

*All Weather Diversified Growth Strategy:* The Sprott All Weather Diversified Growth Strategy aims to deliver long term capital growth with a risk-adjusted return superior to that of a traditionally structured stock and bond portfolio by including a carefully selected mix of uncorrelated and inversely correlated asset classes to a traditional equity and bond strategy.

These asset groups, when combined, result in a weighted average of the underlying return streams which can deliver risk-adjusted performance.

*All Weather Diversified Strategy:* The Sprott All Weather Diversified Strategy aims to deliver long term capital growth with an inflation-adjusted return superior to that of a traditionally structured stock and bond portfolio by including a carefully selected mix of uncorrelated and inversely correlated asset classes to a traditional equity and bond strategy. These asset groups, when combined, result in a weighted average of the underlying return streams which can deliver risk-adjusted performance.

#### SAM USA's Individualized Program

The respective portfolio manager will construct a portfolio of resource and precious-metal related investments including but not limited to companies in the exploration, development and production stages. The portfolio investments will be individualized in accordance with the Managed Account Client's risk diversification preference, as determined by the selected investment objective(s) and the desired percentage of the portfolio to be allocated to such investment objective(s). Such investment objectives and expectations will be included in a Service Agreement between the Managed Account Client and the respective portfolio manager. Managed Account Client will sign the Service Agreement upon account opening.

SAM USA also offers an institutional platform for such institutional Managed Account Clients (hereinafter, "Institutional Accounts"):

#### SAM USA's Institutional Platform

*Institutional Gold & Precious Metal (Institutional Strategy):* the Institutional Strategy is comprised of a relatively concentrated (generally 15-25 positions) portfolio of gold-miners with an extended, two-year average holding period. The portfolio is: substantially net-long (90% to 110% net-long under normal circumstance); lightly leveraged (25% maximum leverage); and highly liquid (all portfolios can be liquidated within ten trading days). Majority of the portfolio weighting generally favors emerging producers, which we define as companies developing world-class projects passed the "pre-feasibility" stage of development and close to initiation of commercial gold production. The Institutional Strategy does not hold commodities, futures, private placements, restricted securities or "hard-to-value" securities. The Institutional Strategy may endeavor over time to balance its investments in equity securities of gold-mining companies with investments in the equity equivalents of gold bullion (gold ETF's) based on its perception of relative valuation. SAM USA believes an equity portfolio of high quality precious-metal miners lends an attractive value-creation proposition to the secular opportunity of rising gold prices.

#### Sub-Advisory

SAM USA was hired as a sub-advisor to the Sprott Focus Trust, Inc., a closed-end diversified management investment company whose shares of Common Stock are listed and traded on the Nasdaq National Market. The Fund's investment goal is long-term capital growth, which it seeks by normally investing at least 65% of its assets in equity securities. W. Whitney George is the Portfolio Manager to the fund. The adviser to the fund, Sprott Asset Management, L.P., is a Toronto-based alternative asset manager and an affiliated entity to SAM USA.

### **Investment Restrictions**

Clients may not impose restrictions on investing in either certain securities or certain types of securities.

### **SAM USA's Assets Under Management (as of December 31, 2016):**

Discretionary – Retail:	\$ 70,346,692
Discretionary – Institutional:	\$ 32,184,950
Non-Discretionary:	\$ -
<b>Total:</b>	<b>\$ 102,531,642</b>

### **Item 5. Fees and Compensation**

Adviser's annual fee shall be based upon a percentage of the market value of the assets under management and in accordance with the fee schedule agreed upon between the client and Adviser, as stated in the investment advisory agreement between the client and Adviser. Additionally, a performance fee may be assessed where applicable (discussed in further detail below). Adviser's fee shall be assessed quarterly in advance or in arrears; the assessed fee shall then be deducted from Managed Account Client's account(s) within thirty (30) days from the applicable quarter end. If a Managed Account Client's account is not open for the full quarter in which the fee is being assessed, the fee shall be prorated accordingly. The fee for the initial quarterly period shall be prorated for the duration of the remaining quarter, based upon the account's funding date and the net value of assets deposited in the account on such date. If billed in arrears, the fee for the initial quarterly period shall be prorated to reflect the number of days since initial funding.

In the event of termination, the client shall be entitled to a prorated refund of any pre-paid management fee based upon the number of days remaining in the quarter after the termination date; however, to the extent that there are private or illiquid securities remaining in the client's account after the termination date, the management fees and performance fees shall continue to be due and payable thereon.

#### **Institutional Strategy Accounts Standard Fee Schedule**

The annual management fee is 1.0% of the net assets under management. The fees accrue monthly and are billed quarterly in arrears in accordance with the annual fee schedule. Fees are subject to change with thirty (30) days written notice.

#### **Retail Account Standard Fee Schedule**

All Managed Account Clients enter into an Investment Advisory Agreement with SAM USA. The agreement sets forth the services to be provided and the commensurate management fees for such services. Fees are subject to negotiation at the sole discretion of SAM USA and will typically vary according to several factors such as: the type of client; the discretionary authority granted to Advisor; the total assets under management; and other business considerations. Fees are subject to change with thirty (30) days written notice. As of the date of this Brochure, SAM USA's standard fee schedule is 2.0% on the first \$250,000 of net assets under management, and 1.5% on net assets under management above \$250,000. Fees shall be billed quarterly in advance or arrears.

### **Additional Fees**

In addition to paying management fees and, if applicable, performance fees or allocations, Managed Account Clients are also subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. Please refer to Item 12 of this brochure for a discussion of brokerage practices.

#### Referrals

SAM USA pays a referral fee to the brokers of Sprott Global Resource Investments, Ltd., an affiliated broker dealer, of 0.4% of the initial investment and 0.15% annually based on portfolio market value as compensation for solicitation services. Clients do not pay more for advisory services as a result of being referred by brokers.

### **Item 6. Performance Based Fees and Side-by-Side Management**

“Qualified clients,” as defined under Rule 205-3 of the Investment Advisers Act, as amended, may be charged a performance-based fee; such an arrangement is disclosed and agreed upon between the respective client and SAM USA in the investment advisory agreement. SAM USA and its investment personnel, including investment personnel that share in performance-based compensation, manage client accounts that are charged performance-based compensation in addition to the asset-based fee, which is a non-performance-based fee assessed on all accounts. In addition, certain client accounts may have higher or lower asset-based fees or more favorable performance-based compensation arrangements than other accounts. When SAM USA and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account. SAM USA and its investment personnel have a greater incentive to favor client accounts that pay SAM USA (and indirectly the portfolio manager) performance-based compensation or higher fees.

SAM USA has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. SAM USA reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, SAM USA’s procedures relating to the allocation of investment opportunities require that similarly managed accounts in the same investment strategy participate in investment opportunities generally based on available cash as a percentage of total assets under management in the account, subject to tax considerations, odd lots, and other applicable investment guidelines and restrictions and require that, to the extent orders are aggregated, the orders are generally price-averaged. These areas are monitored by the Chief Compliance Officer.

### **Item 7. Types of Clients**

SAM USA primarily provides customized investment management services to high-net-worth individuals and their associated trusts, estates, pension and profit sharing plans, as well as certain other business entities and institutional clients. The Adviser's minimum account size is generally \$100,000, but this amount is negotiable and may vary depending on the selected investment platform.

The Institutional Strategy is comprised of separately managed accounts for high net worth individuals, family offices, endowments, fund-of-funds and various institutional investors.

### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

SAM USA utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental analysis and cyclical analysis, as well as use of quantitative tools and investment approaches. The analysis generally includes a review of:

- The issuer's management;
- The amount and volatility of past profits or losses of the issuer;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry; and
- Any other factors considered relevant.

SAM USA employs the following investment strategies:

*Equity.* SAM USA's equity strategies focus on a broad range of equity investment styles, including growth, core, and value, as well as blended portfolios. Most Managed Account Client accounts focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, the Adviser manages Managed Account Client accounts that are multi-national.

*Buy and Hold.* The Adviser engages in buy and hold investment strategies wherein it buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

*Fundamental Value.* The Adviser engages in fundamental value investment strategies wherein it attempts to invest in asset-oriented securities it believes are undervalued by the market.

*Growth.* SAM USA engages in growth investment strategies wherein SAM USA attempts to select securities of a company whose earnings SAM USA expects to grow at an above-average rate compared to the company's specific industry or the overall market.

*Aggressive Growth.* Adviser seeks investment opportunities in securities with no defined source of revenue or income, but with potentially extraordinary growth compared to the company's specific industry or the overall market.

*Moderate Growth.* Adviser selects securities believed to provide historically consistent returns in order to attain a moderate growth rate compared to the company's specific industry or the overall market.



*Option Trading.* SAM USA engages in option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser engages in the following types of option trading strategies: call and put writing, covered calls.

*Short Selling.* SAM USA may engage in short selling strategies. In a short sale transaction, SAM USA may sell a security not owned in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities and (ii) for potential profit.

*Tactical Asset Allocation.* Adviser utilizes an active management tool to establish asset allocation in a manner intended to capitalize on valuation discrepancies of specific asset classes. The strategy is further driven by technical analysis and sentiment indicators such as classical charting patterns, moving average convergence divergence (MACD) indicators, relative strength index (RSI) indicators and Ichimoku cloud patterns.

*Institutional Investment Process.* The Institutional Strategy employs an investment process which is fundamentally driven. Trey Reik, the Senior Portfolio Manager of the Institutional Strategy, monitors a core group of roughly seventy-five gold and precious-metal mining companies at various stages of development. From this group, Mr. Reik has synthesized an active “focus list” of roughly 40 companies at any given point in time. A purchase decision is generated when a world-class ore body, overseen by a proven and high-quality management team, is matched with a sensible mine plan and transparent, achievable financing, while maintaining an attractive valuation (low market-capitalization-per-reserve-ounce and high discount-to-NAV). Through frequent management contact, Mr. Reik tracks execution of stated management goals. Successful execution and attractive relative valuation may lead to increased position size. Sale decisions are most commonly catalyzed by lack of management execution, political change, environmental concerns, declining production profile, gross overvaluation, and rebalancing. Sales of company positions are rarely related to gold price fluctuations.

These investment methods, strategies and processes involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment. The following are certain risks of investment:

*Natural Resources and Related Industries.* Investments in natural resources and related industries are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on underlying natural resource investments. Prices of natural resource investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of SAM USA’s portfolios and the value of their investments. In addition, the value of SAM USA’s portfolios may fluctuate as the general level of interest rates fluctuates.

*Lack of Diversification.* Managed Account Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the portfolios are subject to more rapid change in value than would be the case if SAM USA was required to maintain a wider diversification among types of securities and other instruments.

*Natural Resource Assets.* The production and marketing of natural resource assets may be

affected by actions and changes in governments. In addition, natural resource assets and natural resource asset securities may be cyclical in nature. During periods of economic or financial instability, securities of companies with natural resource assets may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various natural resource assets. In addition, these companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. These securities may also experience greater price fluctuations than the relevant natural resource asset.

*Emerging Markets.* The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Fixed-Income and Debt Securities.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Investments in low-rated or unrated debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and

potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Options Risk.* The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

*Short Selling Risk.* Short selling transactions involve the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein a portfolio might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

#### **Item 9. Disciplinary Information**

Firms are required to report any legal or disciplinary events considered material to a client’s or a prospective client’s evaluation of SAMUSA or the integrity of SAM USA’s management team. Neither SAM USA nor its management team requires any such disclosures.

#### **Item 10. Other Financial Industry Activities and Affiliations**

SAM USA is affiliated with Sprott Global Resource Investment, Ltd. (“SGRIL”), a registered broker/dealer with the SEC and member firm of the Financial Industry Regulatory Authority, Inc. (“FINRA”). SGRIL is under common ownership and control with SAM USA. Certain of SAM USA’s management persons are principals or registered representatives of SGRIL.

SAM USA has entered into a relationship with SGRIL whereby it has engaged SGRIL to effect securities transactions on behalf of the retail Managed Account Clients. SGRIL serves as an introducing broker on behalf of the Managed Account Clients and routes securities transactions to various third-party executing brokers. SGRIL does not receive any compensation for effecting any such transactions. This relationship is disclosed to the Managed Account Clients.

SAM USA has entered into a relationship with Jefferies LLC. Jefferies serves as an introducing broker on behalf of the Institutional Account Clients. Sprott Institutional conducts front-end prime brokerage for all customer accounts at Jefferies. Sprott Institutional leaves custodial choice to clients. Currently, Sprott Institutional clients employ Jefferies and Bank of NY Mellon for back-end custodial services.

Trades for SGRIL client accounts may be aggregated with trades for SAM USA client accounts. This practice may limit the amount of stock allotted to SAM USA clients if there is insufficient liquidity in the security.

Managed Account Clients in the Premium Program may subscribe to certain privately placed securities where SGRIL is compensated as a placement agent by the issuing company. This creates a potential conflict of interest, in that this compensation may create an incentive for SAM USA to recommend such privately placed securities to the Managed Account Client, additionally based on its own financial interests rather than solely the interests of a client.

Arthur Richards Rule IV, Chairman of SAM USA, and Jeffrey Howard, a SAM USA Portfolio Manager, are non-managing members of Buttonwood Tree Management, LLC, the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule and Mr. Howard are also limited partners. SGRIL, and indirectly Mr. Rule and Mr. Howard, may receive compensation from Buttonwood Tree Value Partners, L.P. in respect of introducing investors. Buttonwood Tree Management, LLC is entitled to receive management fees and incentive allocations from Buttonwood Tree Value Partners, L.P., and as members Mr. Rule and Mr. Howard may indirectly share in such fees and allocations.

SAM USA is also affiliated with Resource Capital Investment Corporation (RCIC), a Nevada corporation and an SEC registered investment adviser, which serves as the General Partner of various investment partnerships intended for sophisticated investors (such sophisticated investors are known hereinafter as “Limited Partners”) that invest in companies engaged in natural resources and related industries. Mr. Rule is one of the Portfolio Managers of the limited partnerships and the adviser.

SAM USA was hired as a sub-advisor to the Sprott Focus Trust, Inc., a closed-end diversified investments manager, by Sprott Asset Management, L.P., a Toronto-based alternative asset manager and an affiliated entity to SAM USA. SAM USA was also retained as a sub-advisor to the Privet Fund, a hedge fund vehicle managed similarly to Sprott Focus Trust. SAM USA and Sprott Asset Management, L.P. are owned by Sprott Inc. (SII), a Canadian investment manager in Toronto and a publicly traded company on the Toronto Exchange.

There is a conflict of interest between the assets traded for the closed end fund investors and the hedge fund investors. Reports are generated on a daily basis and are reviewed by compliance to ensure that both sets of investors are receiving the suitable investments for the appropriate investment strategy. Attestations are received quarterly to ensure all personal trading is Pre-Approved.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

SAM USA has adopted a Code of Ethics to ensure that securities transactions by SAM USA employees are consistent with its fiduciary duties to their clients and to ensure compliance with legal requirements and standards of business conduct. The Code of Ethics requires that employees obtain prior approval for personal securities transactions and requires quarterly reporting of such transactions. Written copies of the Code of Ethics are available upon request.

### **Client Transactions in Securities where Adviser has a Material Financial Interest**

As set forth above, the Managed Account Clients in the Premium Program may subscribe to certain privately placed securities where SGRIL is compensated as a placement agent by the issuing company. This creates a potential conflict of interest, in that this compensation may create an incentive for SAM USA to recommend such privately placed securities to the Managed

Account Client, additionally based on its own financial interests rather than solely the interests of a client. In order to address such potential conflict of interest, the CCO or designee must independently approve of such transaction before it is recommended to Managed Account Clients.

### **Investing in Securities Recommended to Clients**

All SAM USA principal and employee trades will be reviewed by the Chief Compliance Officer (“CCO”) or an employee designated by the CCO. SAM USA principals and employees may purchase or sell the same securities for their personal accounts and accounts of their families on the same day that those securities are being purchased or sold by Managed Account Client accounts that they manage. Trades for principals and employee personal accounts may be aggregated with trades for other clients. If an order is partially filled, Managed Account Clients will have their orders fully filled prior to any employee’s.

To prevent conflicts of interest, all employees of SAM USA must comply with the firm’s Code of Ethics, which imposes certain restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons; such restrictions are maintained on a restricted list, which all employees are required to adhere to so as to further mitigate potential conflicts of interest.

Employees involved in the SAM USA investment recommendation process or their related persons will be required to pre-clear their personal securities transactions (except for transactions in registered open-end investment company securities and/or other exempt transactions) with the firm’s Chief Compliance Officer. SAM USA will also maintain quarterly reports on all personal securities transactions, except exempt transactions. Further, the firm’s Code of Ethics imposes certain policies and procedures to prohibit unlawful use of material non-public information and is designed to prevent insider trading by any officer, partner, or associated person of SAM USA.

### **Conflict of Interest Created By Contemporaneous Trading**

SAM USA or a related person from time to time may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that such related person buys or sells the same securities for its own account, in accordance with the procedures described above designed to seek to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for such related person to the detriment of the client. In addition, the Adviser has adopted the aggregation policies and procedures discussed in Item 12.

### **Item 12. Brokerage Practices**

#### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

As set forth above, SAM USA utilizes SGRIL as introducing broker for retail accounts and Jefferies LLC for institutional accounts; however SAM USA selects the executing brokers to which SGRIL routes trade orders. SAM USA considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering to the Adviser on-line access to computerized data regarding a client’s accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation, the Adviser need not solicit competitive

bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Best Execution Oversight Committee meets periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

### **Research and Other Soft Dollar Benefits**

Investment advisers may from time to time receive research or other products or services other than execution from a broker-dealer in connection with securities transactions in client accounts. This is known as a "soft dollar" relationship. SAM USA does not currently engage in soft dollar practices in Managed Client Accounts, unless the account is an Institutional Account. Further, should SAM USA engage in soft dollar practices in Institutional Accounts, such practices are limited solely to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

SAM USA's Best Execution Oversight Committee meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or SAM USA's overall responsibilities to the accounts or portfolios over which SAM USA exercises investment discretion.

Potential conflicts of interest are inherent in soft dollar use. For example, because soft dollar use means SAM USA will not have to directly pay for such products and services, SAM USA is then potentially incentivized to select a broker-dealer based on its interest in receiving such products and services as opposed to making such a selection based solely on receiving most favorable execution for any particular client.

Soft dollars are generated from commission payments (or markups or markdowns) that may be higher or lower than those charged by other broker-dealers in return for similar soft dollar benefits (known as paying-up); accordingly, soft dollar practices could result in higher

transaction costs.

Research and brokerage services obtained from exercising soft dollar practices may be used by SAM USA, in its other investment activities, including, and for the benefit of other Managed Account, Institutional and/or Fund accounts. SAM USA does not seek to allocate soft dollar benefits to Managed Client Accounts proportionately to the soft dollar credits the accounts generate.

During SAM USA's last fiscal year, SAM USA and/or its related persons acquired broker-dealer generated research reports and services related to connectivity between SAM USA and a broker-dealer to route orders to the broker-dealer.

### **Order Aggregation**

SAM USA typically aggregates Managed Account client trades in an effort to treat all of the Managed Client Accounts equitably. Managed Account clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is partially filled, Managed Account clients will have their orders fully filled based on cash available, i.e., the Managed Account clients with the highest percentage of cash will be filled on buys first; the Managed Account clients with the lowest percentage of cash will be filled on sells first. Trades for the Sprott Focus Trust, Inc., Privet Fund and the Sprott Institutional platform will not be aggregated with retail client trades in order maintain a separation between the trading for the fund investors, institutional, and retail clients. Aggregation is encouraged within those platforms.

When trading accounts through one or more broker/dealers, SAM USA's trader may choose to place smaller trades ahead of larger trades when the smaller trades are not expected to materially affect the price or liquidity of the security in question. This practice may result in certain accounts trading after other accounts with disproportionate frequency. It is possible that, over time, this practice could result in certain Managed Account experiencing a benefit at the expense of other Managed Account accounts.

### **Item 13. Review of Accounts**

Each managed account is reviewed at least every sixty days to determine if those security holdings in such account should be adjusted. Criteria include performance of the account, operational developments, management changes, financial condition, and the price outlook for various commodities that might affect the future cash flow of those companies. The reviews are conducted by the Portfolio Manager.

Managed Account clients receive brokerage transaction confirmations and statements on at least a quarterly basis from the appropriate custodian. Such reports may be delivered electronically in accordance with the client's agreement with SAM USA.

### **Item 14. Client Referrals and Other Compensation**

The Adviser may receive certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the

basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser's "soft-dollar" practices.

### **Item 15. Custody**

Clients will receive account statements from their custodian on at least a quarterly basis. Clients should carefully review those statements.

### **Item 16. Investment Discretion**

SAM USA provides investment advisory services on a discretionary basis to clients. Prior to assuming full discretion in managing a client's assets, SAM USA enters into an investment management agreement or other agreement that sets forth the scope of its discretion.

SAM USA has the authority to determine (i) the securities to be purchased and sold for the relevant account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the account. Because of the differences in investment objectives and strategies and other criteria, there may be differences among the accounts in invested positions and securities held. SAM USA submits an allocation statement to SGRIL for trades to be entered in the accounts. SAM USA may consider the following factors, among others, in allocating securities among accounts: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a portfolio; (iv) size of the account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

### **Item 17. Voting Client Securities**

SAM USA exercises voting authority over securities held by the respective Accounts. Generally speaking, SAM USA will vote in favor of the following proxy proposals:

- SAM USA will generally vote in favor of routine corporate housekeeping proposals including, but not limited to the following:
  - election of directors (where there are no related corporate governance issues);
  - selection or reappointment of auditors; or
  - an increase in or reclassification of common stock.
- SAM USA generally will vote in favor of proposals by management or shareholders concerning compensation and stock option plans that will make management and employee compensation more dependent on long-term stock price performance.
- SAM USA will generally vote against proposals that make it more difficult to replace members of the issuer's board of directors or board of managers, introduce unequal voting and make it more difficult for an issuer to be taken over by outsiders (and in favor or proposals to do the opposite).

SAM USA will vote against any proposal relating to stock option plans that: (i) exceed 10% of the common shares issued and outstanding at the time of grant over a three year period



(on a non-diluted basis); (ii) provide that the maximum number of common shares issuable pursuant to such plan be a "rolling" maximum equal to 10% of the outstanding common shares at the date of the grant of applicable options; or (iii) re-prices the stock option.

SAM USA will vote against any proposal giving directors discretion to exceed 25% or more dilution annually without shareholder approval.

In certain cases, proxy votes may not be cast when SAM USA determines that it is not in the best interests of the Accounts to vote such proxies. In the event a proxy raises a potential material conflict of interest between the interests of an Account and SAM USA, the conflict will be resolved by SAM USA in favor of that Account.

SAM USA retains the discretion to depart from these policies on any particular proxy vote depending upon the facts and circumstances.

The proxy voting guidelines of the Accounts are available on request, free of charge, by contacting SAM USA at 1-866-531-8746 and are available on the website at [www.sprottusa.com](http://www.sprottusa.com). SAM USA will maintain and prepare an annual proxy voting record for each Account. The proxy voting record for the annual period ending December 31 each year for each Account will be available free of charge to that Account holder upon request at any time after January 31 of the following year, or at any time by contacting SAM USA at the above telephone numbers.

**Item 18. Financial Information**

This item is not applicable



Updated March 2017

**FORM ADV PART 2B – FIRM BROCHURE SUPPLEMENT**

**Headquarters:**

1910 Palomar Point Way  
Suite 200  
Carlsbad, CA 92008

**Connecticut Office:**

777 Post Road  
2<sup>nd</sup> Floor  
Darien, CT 06820

**This brochure supplement provides information about the below-stated personnel; it supplements the Spratt Asset Management USA Inc. (SAM USA) brochure. You should have received a copy of that brochure. Please contact SAM USA’s Chief Compliance Officer, Thomas W. Ulrich, at 1-866-531-8746 if you did not receive SAM USA’s brochure or if you have any questions about the contents of this supplement. The below personnel are located at Headquarters unless otherwise stated:**

Eric Angeli

John Barker

Anthony J. Bevilaqua

Samuel Broom

Tekoa Da Silva

W. Whitney George (Connecticut)

Mary Goddard

Jeffrey Howard

Albert Lu

William J. Reik III (Connecticut)

Arthur Richards Rule IV

Jason J. Stevens

Timothy J. Taschler

Kenton Ralph Toews

C. Mishka Vom Dorp

**Additional information about the above listed personnel is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Supervised Person: Eric Angeli

### Item 2. Educational Background and Business Experience

Eric Angeli was born in 1984; he earned concurrent degrees in each finance and international business at New York University; his business background for the preceding five years is as follows:

03/2016 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative
08/2006 to present:	Sprott Global Resource Investments Ltd.	Investment Executive

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Angeli is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Angeli acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

### Item 6. Supervision

Mr. Angeli is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: John Barker

### Item 2. Educational Background and Business Experience

John Barker was born in 1979; he received a Master of Arts degree in finance from George Mason University; his business background for the preceding five years is as follows:

05/2016 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative
04/2016 to present:	Sprott Global Resource Investments Ltd.	Investment Executive
04/2013 to 04/2016:	Euro Pacific Capital, Inc.	Operations Associate
06/2010 to 06/2012:	Business News America	Enterprise Business Manager

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Barker is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA.

### Item 6. Supervision

Mr. Barker is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Anthony J. Bevilaqua

### Item 2. Educational Background and Business Experience

Anthony Bevilaqua was born in 1981; he received a Bachelor of Business Administration in Economics from Temple University; his business background for the preceding five years is as follows:

03/2016 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative
02/2013 to present:	Sprott Global Resource Investments Ltd.	Investment Executive
11/2009 to 11/2012:	Euro Pacific Metals	Broker

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Bevilaqua is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Bevilaqua acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

### Item 6. Supervision

Mr. Bevilaqua is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Samuel Broom

### Item 2. Educational Background and Business Experience

Samuel Broom was born in 1987; he received a Bachelor of Science in Geology from the University of Canterbury in New Zealand where he graduated with honors; his business background for the preceding five years is as follows:

03/2017 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative
02/2016 to present:	Sprott Global Resource Investments Ltd.	Investment Executive
06/2012 to 12/2014:	Pells Sullivan Meynink	Engineering Geologist
01/2011 to 06/2012:	Opus International	Engineering Geologist

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Broom is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Broom acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

### Item 6. Supervision

Mr. Broom is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Tekoa Da Silva

### Item 2. Educational Background and Business Experience

Tekoa Da Silva was born in 1983; his business background for the preceding five years is as follows:

03/2016 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative
02/2014 to present:	Sprott Global Resource Investments Ltd.	Investment Executive
10/2011 to 01/2014:	Bull Market Thinking	Proprietor

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Da Silva is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Da Silva acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

### Item 6. Supervision

Mr. Da Silva is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: W. Whitney George

### Item 2. Educational Background and Business Experience

W. Whitney George was born in 1958; he received a Bachelor of Arts from Trinity College; his business background for the preceding five years is as follows:

01/2016 to present:	Sprott Inc.	Executive Vice President
01/2016 to present:	Sprott U.S. Holdings, Inc.	Chairman of the Board
02/2015 to present:	Sprott Asset Management USA Inc.	Senior Portfolio Manager
09/1991 to 02/2015:	Royce & Associates	Managing Director, Portfolio Manager

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. George is the Chairman of the Board of Sprott U.S. Holdings, Inc., and an Executive Vice President of Sprott Inc., the parent company of Sprott Asset Management USA Inc.

### Item 6. Supervision

Mr. George is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Mary W. Goddard

### Item 2. Educational Background and Business Experience

Mary Goddard was born in 1964; she received a Bachelor of Science in Finance and a minor in Economics from San Diego State University; her business background for the preceding five years is as follows:

06/2006 to present:	Sprott Global Resource Investments Ltd	Investment Executive
01/2006 to present:	Sprott Asset Management USA Inc.	Investment Adviser Representative

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Ms. Goddard is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA.

### Item 6. Supervision

Ms. Goddard is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Jeffrey Howard

### Item 2. Educational Background and Business Experience

Jeffrey Howard was born in 1953; he received a Bachelor of Science in Accounting from the University of Arizona; his business background for the preceding five years is as follows:

02/2011 to present:	Sprott U.S. Holdings Inc.	Director
02/2011 to present:	Resource Capital Investment Corp.	Director
07/2008 to 12/2013:		VP
01/2006 to present:	Sprott Asset Management USA Inc.	Portfolio Manager
01/2006 to 03/2016:		CEO
12/1994 to present:	Sprott Global Resource Investments, Ltd.	Investment Executive, Principal

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Howard is a principal and Investment Executive of Sprott Global Resource Investments, Ltd. ("SGRIL"), a broker/dealer under common control with SAM USA. Mr. Howard is a non-managing member of Buttonwood Tree Management, LLC, the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Howard is a limited partner. SGRIL, and indirectly Mr. Howard, may receive compensation from Buttonwood Tree Value Partners L.P. in respect of introducing investors. Buttonwood Tree Management, LLC is entitled to receive management fees and incentive allocations from Buttonwood Tree Value Partners, L.P., and as a member Mr. Howard may indirectly share in such fees and allocations.

### Item 6. Supervision

Mr. Howard is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

### Supervised Person: Albert Lu

#### Item 2. Educational Background and Business Experience

Albert Lu was born in 1969; he received a Bachelor of Engineering and a Master of Engineering from McGill University; his business background for the preceding five years is as follows:

02/2017 to present:	Sprott Global Resource Investments Ltd	Marketing Director
01/2017 to present:	Sprott Asset Management USA Inc.	Investment Adviser Representative
01/2017 to present:	Sprott U.S. Media, Inc.	President, CEO
12/2010 to 12/2016:	WB Advisors, LLC	President, CCO
08/2005 to 12/2016:	KC Hirai, LLC	Principal Member

#### Item 3. Disciplinary Information

None.

#### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Lu is the Marketing Director for Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Additionally, Mr. Lu is the President and CEO of Sprott U.S. Media, Inc., a media company under common control with SAM USA.

### Item 6. Supervision

Mr. Lu has authority over all the assets under his management. The investment advice Mr. Lu provides is subject to supervision by Mr. Rob Villaflor. The activities of all supervised persons are subject to the Advisor's compliance policies and procedures, which are administered by Thomas W. Ulrich, General Counsel & Chief Compliance Officer of the Advisor. Mr. Ulrich can be reached by telephone at (760) 444-5297.

### Supervised Person: William J. Reik III

#### Item 2. Educational Background and Business Experience

William J. "Trey" Reik III was born in 1960; he received a Bachelor of Arts in Economics from Pomona College; his business background for the preceding five years is as follows:

2015 to present:	Sprott Asset Management USA Inc.	Senior Portfolio Manager
2009 to 2015:	Bristol Investment Partners LLC	Managing Member

#### Item 3. Disciplinary Information

None.

#### Items 4 & 5. Other Business Activities and Additional Compensation

None.

## Item 6. Supervision

Mr. Reik is supervised by Mr. Robert Villaflor, CEO of the Adviser. The activities of all supervised persons are subject to the Adviser’s compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Arthur Richards Rule IV

### Item 2. Educational Background and Business Experience

Arthur Richards “Rick” Rule IV was born in 1953; he attended the University of British Columbia; his business background for the preceding five years is as follows:

11/2013 to present:	Sprott Resource Corporation	Managing Director
02/2011 to present:	Sprott U.S. Holdings Inc.	Director
02/2011 to present:	Sprott Inc.	Director
01/2006 to present:	Sprott Asset Management USA Inc.	Chairman, Founder
02/1998 to present:	Resource Capital Investment Corp.	Chairman, President
09/1993 to present:	Rule Investments	Director
10/1993 to present:	Sprott Global Resource Investments, Ltd.	Chairman, Founder, President

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Rule is a Principal of Sprott Global Resource Investments, Ltd. (“SGRIL”), a broker/dealer under common control with SAM USA. Mr. Rule is a non-managing member of Buttonwood Tree Management, LLC, the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule is a limited partner. SGRIL, and indirectly Mr. Rule, may receive compensation from Buttonwood Tree Value Partners, L.P. in respect of introducing investors. Buttonwood Tree Management, LLC is entitled to receive management fees and incentive allocations from Buttonwood Tree Value Partners, L.P., and as a member Mr. Rule may indirectly share in such fees and allocations.

## Item 6. Supervision

Mr. Rule has authority over portfolio positions and personnel. The investment advice Mr. Rule provides to clients is not subject to supervision. Mr. Rule is subject to the Adviser’s compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Jason J. Stevens

### Item 2. Educational Background and Business Experience

Jason J. Stevens was born in 1981; he received an Associate of Arts in Economics from Mira Costa College; his business background for the preceding five years is as follows:

03/2015 to present:	Sprott Asset Management USA Inc.	Investment Adviser Representative
04/2002 to present:	Sprott Global Resource Investments Ltd.	Investment Executive



### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Stevens is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Stevens acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

### Item 6. Supervision

Mr. Stevens is supervised by Mr. Robert Villaflor, CEO of Adviser, in respect of investment advice given to clients. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Timothy J. Taschler

### Item 2. Educational Background and Business Experience

Timothy Taschler was born in 1957; he received a Bachelor of Arts in English from the University of Dayton; his business background for the preceding five years is as follows:

07/2016 to present:	Sprott Asset Management USA Inc.	Portfolio Manager & Investment Advisor Representative
07/2016 to present:	Sprott Global Resource Investments Ltd	Investment Executive
01/2012 to 07/2016:	Stifel, Nicolaus & Co., Inc.	Senior Vice President

### Item 3. Disciplinary Information

None.

### Items 4 & 5. Other Business Activities and Additional Compensation

Mr. Taschler is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA.

### Item 6. Supervision

Mr. Taschler is supervised by Mr. Robert Villaflor, CEO of Adviser, in respect of investment advice given to clients. The activities of all supervised persons are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.

## Supervised Person: Kenton Ralph Toews

### Item 2. Educational Background and Business Experience

Kenton Ralph Toews was born in 1979; he received a Bachelor of Science in Mechanical Engineering from the University of Calgary; his business background for the preceding five years is as follows:

11/2011 to present:	Sprott Global Resource Investments Ltd.	Investment Executive
07/2012 to present:	Sprott Asset Management USA Inc.	Investment Advisor Representative

### Item 3. Disciplinary Information

None.

**Items 4 & 5. Other Business Activities and Additional Compensation**

Mr. Toews is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Toews acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

**Item 6. Supervision**

Mr. Toews is supervised by Mr. Robert Villaflor, CEO of Adviser. The activities of all supervised persons are subject to the Advisor's compliance policies and procedures, which are administered by Thomas W. Ulrich, General Counsel & Chief Compliance Officer of the Advisor. Mr. Ulrich can be reached by telephone at (760) 444-5297.

**Supervised Person: Christian Mishka Vom Dorp**

**Item 2. Educational Background and Business Experience**

C. Mishka Vom Dorp was born in 1984; he received a Master of Business Administration and a Bachelor of Science in International Business from Umea School of Business and Economics; his business background for the preceding five years is as follows:

03/2009 to present	Sprott Global Resource Investments Ltd	Investment Executive
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**Item 3. Disciplinary Information**

None.

**Items 4 & 5. Other Business Activities and Additional Compensation**

Mr. Vom Dorp is an Investment Executive of Sprott Global Resource Investments, Ltd., a broker/dealer under common control with SAM USA. Mr. Vom Dorp acts as an Independent Sales Agent of Miles Franklin Ltd., a full service precious metals dealer.

**Item 6. Supervision**

Mr. Vom Dorp is supervised by Mr. Robert Villaflor, CEO of Adviser. The activities of all supervised persons are subject to the Advisor's compliance policies and procedures, which are administered by Thomas W. Ulrich, General Counsel & Chief Compliance Officer of the Advisor. Mr. Ulrich can be reached by telephone at (760) 444-5297.



### ***PRIVACY PLEDGE AND NOTIFICATION***

Sprott Asset Management USA Inc. respects your right to privacy. We have always been committed to secure the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective customers to understand what information we collect and how we use it.

#### **Why We Collect Your Information**

We gather information about you and your accounts so that we can (i) know who you are and thereby prevent unauthorized access to your information, (ii) design and improve the products and services we offer and (iii) comply with the laws and regulations that govern us.

#### **What Information We Collect**

We may collect the following types of ‘nonpublic personal information’ about you:

- Information about your identity, such as your name, address and social security number;
- Information about your transactions with us;
- Information we receive from you on applications, such as your beneficiaries or income.

#### **What Sources We Obtain Your Information From**

We collect nonpublic personal information about Sprott USA clients such as you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others, and
- If you visit our web site, information we collect via a web server, often referred to as a “cookie.” Cookies indicate where a site visitor has been online and what has been viewed.

#### **What Information We Disclose**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Moreover, we will not release information about our customers or former customers unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law to release information to the recipient.

We only use information about you and your account to help us better serve your investment needs or to suggest services or educational materials that may be of interest to you.

Confidentiality And Security

We maintain physical, electronic and procedural safeguards to guard your personal account information. To further protect your privacy, we restrict access to your personal and financial data to authorized Sprott USA associates who have a need for these records. We require all nonaffiliated organizations to conform to our privacy standards and are contractually obligated to keep the information provided confidential and used as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

Should you wish to receive an updated copy of our Form ADV, please contact us.

March 2017