Sprott Resource Alpha Separately Managed Account

Q1 2025 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

The second quarter of 2025 is now upon us, and what a start it has been. We have just witnessed what may end up being one of the most significant global economic developments in modern times—the implementation of a major, all-encompassing tariff regime by the new Trump Administration. Markets have reacted swiftly to the aggressive tariff levels, which threaten to completely upend the modern global trading order and have injected massive volatility events across every major asset class since being announced.

Commodities have been a mixed bag, with precious metals being the biggest beneficiary as capital flows drive gold to record highs in every single currency. This strength is particularly notable, given it is common to see the yellow metal go lower in tandem with everything else during periods of systemic deleveraging events. Furthermore, gold equities have finally begun to decouple from the broader equity market, with key precious metals mining indexes diverging in performance in the first full week of trading, post tariffs.

Elsewhere, industrial metals and energy took the brunt of the pain, with significant declines across most consumable raw materials with oil and copper leading the charge lower with losses in excess of 10% during the span of just a few trading sessions. Although we've since seen a 90-day pause in tariff implementation, the prolonged uncertainty suggests the elevated levels of volatility are here to stay.

We believe the stage is set for hard assets like commodities to once again play a key role as an important portfolio diversifier. The first week of April showcases the importance of a gold-heavy portfolio when the market goes through a serious stress event.

Total Returns* (%)

As of 3/31/2025	1 MO	YTD	Q1 2025	1 YR	3 YR	Cumulative Since Inception (February 26, 2021)
Sprott Resource Alpha Separately Managed Account (Net)[1]	8.55	25.99	25.99	45.30	11.02	73.09
Sprott Resource Alpha Separately Managed Account (Gross)[1]	8.65	26.35	26.35	47.29	12.65	83.74
Blended Benchmark[2]	8.98	18.78	18.78	18.32	2.15	40.85

Past performance is not indicative of future returns. Please see important information on page 5. The performance results do not reflect trading in any client's account but reflect solely a composite of all open accounts for the prior 12 months. The Sprott Asset Management USA, Inc. performance team created an actual composite of all open accounts for the above performance reported. As your adviser, we are responsible for the trading of the separately managed account program.

* Returns less than one year are not annualized.

1 Net strategy performance takes into account all fees and expenses.

2 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.

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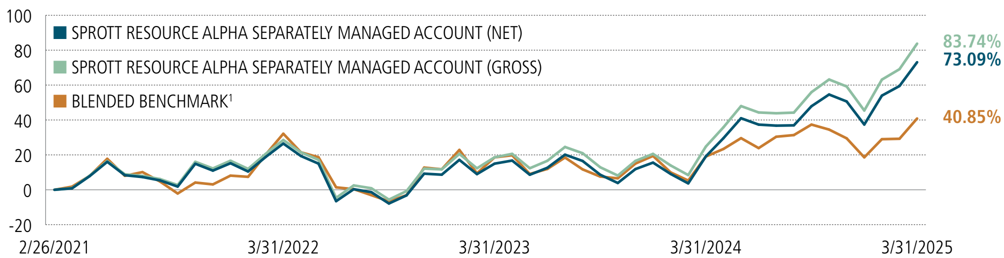
Cumulative Daily Performance (%) (2/26/2021 – 3/31/2025)



Portfolio Composition[3]

The Sprott Resource Alpha Separately Managed Account (the "Strategy") was fully invested throughout most of the quarter but after some modest profit taking on several positions, ended the quarter with just under 2% cash.

We prudently trimmed back a few positions which had enjoyed big upward moves (Evolution Mining Limited, G Mining Ventures Corp. and Turaco Gold Limited), but the majority of the changes during the period were purchases; either adding to an existing holding as well as adding one new investment (more on that below).

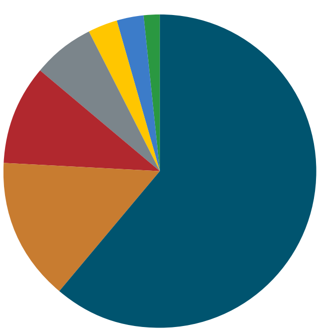
The Strategy sold two positions outright, one of which no longer offers the same opportunity-set as when they were first purchased (Africa Oil Corp.) and the second, after the company received a takeover offer (SilverCrest Metals Inc.).

There were several "top up" purchases to increase the weighting of companies which we feel offer robust organic growth prospects (K92 Mining Inc., Robex Resources Inc., Aya Gold & Silver Inc., Calibre Mining Corp., Ero Copper Corp., FireFly Metals Limited, and Osisko Gold Royalties Ltd). The only new purchase was Arras Minerals Corp., who announced promising drill results on their copper/gold discovery in Kazakhstan.

At the end of March, the current portfolio makeup included a 73% allocation to North American equities, 21% to Australian-listed companies, 4% invested in European equities and nearly 2% in cash.

Commodity Sector Breakdown

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



Precious Metals	61.26%
Copper (moly)	14.74%
Bulks (Ti, coal/iron ore/lithium/potash)	10.18%
Oil & Gas	6.55%
Uranium	2.89%
Nickel & PGM	2.81%
Cash	1.58%

Data as of 3/31/2025.

[3] Portfolio holdings were selected for inclusion using objective, non-performance-based criteria as they represent all additions and deletions from the Strategy during the quarter. The holdings discussed may not be representative of future investments and there is no guarantee they were or will be profitable.

Q1 2025 Performance Contributors[4]

G Mining Ventures Corp. (TSX: GMIN)

G Mining Ventures Corp. contributed +5.27% to the Strategy's first-quarter performance. G Mining has grown to the largest position in the portfolio through consistent performance and its all-share acquisition of another portfolio holding, Reunion Gold Corporation. The company is advancing the Tocantinzinho Mine in Brazil towards nameplate capacity and expects to maintain an impressive $900 per ounce all-in sustaining cost for the year. G Mining is also pushing the development of the Oko West project, which they acquired in the Reunion Gold takeover. Management expects to deliver a feasibility study and construction decision in the second half of 2025. The company's inclusion in multiple stock indices boosted the performance of G Mining's stock during the period.

G2 Goldfields Inc. (TSX: GTWO)

Another top portfolio contributor in the quarter, G2 Goldfields Inc., rose ~66% in the quarter in Canadian dollar terms, which contributed 3.15% net performance to the Strategy in Q1. The outperformance was driven by several factors. Firstly, the company released further promising drill results at their flagship project in Guyana, with drill hits like ***13.5m @ 5.7 g/t Au & 4m @ 36.8 g/t Au*** on a new shear zone that connects two previously identified zones of mineralization. In March, the company then released a resource update which saw the total delineated ounces grow by ~50%, from 2Moz to 3Moz, meeting market expectations.

Lastly, there is significant speculation in the market that the company is an imminent takeover candidate, given significant buying last year from major global gold miner, AngloGold Ashanti plc (now a 14.99% shareholder). Frontrunning this potential takeover, the company is also preparing a spin-co (G3 Goldfields Inc.). G3 will retain a significant percentage of the company's brown and greenfield exploration ground, which offers investors exposure to further exploration success, should any takeover bids emerge. Part of the buying during the quarter may have been the result of investors wanting to capture the spinout shares of G3. A combination of positive news and strong gold prices caused G2 Goldfields to be one of the top performers in the sector during the quarter and with plenty of catalysts yet to come, we expect this momentum to continue.

Q1 2025 Performance Detractors[4]

Yellow Cake plc (LSE: YCA)

Yellow Cake plc was a net detractor for the Strategy reducing the portfolio by a net -0.31% in the quarter. As a reminder, Yellow Cake's sole business is to purchase and store physical uranium (U_3O_8) which makes the Company a good proxy for spot market prices.

The release of ChatGPT and other AI models in the past few years has driven analysts to predict surging energy demand due to the immense energy consumption of AI chips. With newer AI models requiring more and more computational power, questions arose as to how we would power the exponential growth of AI data centers. The answer to many investors was nuclear power. Prices of both the commodity and the producers rose until January of this year when DeepSeek's V3 AI model was released.

[4] Contributors and detractors represent the top and bottom two performers in the Strategy this quarter. The same contributor/detractor selection criteria are consistently used across the Strategy's quarterly commentaries. Contribution to or detraction from total return was calculated by taking into account consistently the weighting of every holding in the Strategy's representative portfolio that contributed to the Strategy's performance during the quarter. All other separately managed accounts in the Strategy track the representative portfolio.

The emergence of DeepSeek, a Chinese AI model with competitive capabilities of Western AI models, while stated to be at a fraction of the cost, sparked a major sell-off in AI stocks and many tangentially related sectors such as the uranium space. The market became initially concerned that this would reduce AI's impact on energy demand, as DeepSeek had also improved energy consumption, leading to a decline in uranium prices. We believe this decline is temporary due to the exponential growth of AI, data centers and the power needed to operate them.

Yellow Cake plc still offers a compelling valuation as it is currently trading at a 20% discount to its net asset value of stored U3O8.

CES Energy Solutions Corp. (TSX: CEU)

A combination of soft energy markets and the cross-border tariff spat with Canada negatively impacted CES Energy Solutions Corp., reducing the Strategy by -0.69%.

The energy service provider is active in both the Western Canada Sedimentary Basin as well as the U.S. Permian Basin (among many others), all of which are witnessing lower rig counts and less well activity from this time last year. CES Energy remains in a comfortable position with regards to its market share of the activity that is happening in the oil patch, as well as a greatly improved balance sheet, which had been levered up in order to reinvest in expanding their business. We know management to be prudent so successfully navigating a slowdown in the Oil & Gas sector could allow them to grow that market share further if things remain subdued for too long.

Concluding Comments

The second quarter is already shaping up to be one of the more challenging quarters investors have had to face in quite some time, as the world recalibrates around newly announced tariffs. It is possible that we are in the early innings of an even larger volatility episode that can rival that seen in the COVID 2020 pandemic period, with unknown risks not yet foreseen but also holds the potential for "once in a decade" opportunities as well.

Whilst the past is never a guarantee of what is to come, previous cycles suggest there is a very good probability that commodities, with a focus on precious metals, should be primed to weather the current malaise better than most other asset classes. This Strategy is well positioned with a set of high quality, catalyst-heavy companies that we feel can deliver outperformance in the current environment.

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INDEX DEFINITIONS

You cannot directly invest in an index.

Morningstar Global Upstream Natural Resources Index: The index measures the performance of stocks issued by companies that have significant business operations in the ownership, management and/or production of natural resources in energy, agriculture, precious or industrial metals, timber and water resources sectors as defined by Morningstar's industry classification standards. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

NYSE Arca Gold Miners Index: The index is a composite of publicly traded gold and silver mining companies operating throughout the world. The NYSE Arca Gold Miners Index includes common stock as well as depository receipts quoted on major stock exchanges.

S&P/TSX Global Mining Total Return Index: The index is designed to measure the performance of stocks in the S&P Global BMI engaged in the GICS® Metals & Mining industry. Constituents are selected based on active mining activities and are weighted by float market cap.

IMPORTANT INFORMATION

Past performance does not guarantee future results. An investor could lose all or a substantial amount of any investment pursuant to this strategy. The intended use of this material is for informational purposes only and is not intended to be an offer or solicitation for the sale of any financial product or service or a recommendation or determination that any investment strategy is suitable for a specific investor. Investors should seek financial advice regarding the suitability of any investment strategy based on the objectives of the investor, financial situation, investment horizon, and their particular needs. This information is not intended to provide financial, tax, legal, accounting or other professional advice since such advice always requires consideration of individual circumstances. The investments discussed herein are not insured by the FDIC or any other governmental agency and are subject to risks, including a possible loss of the principal amount invested.

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.

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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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