



Resource Exploration and Development Private Placement LP

Priority Access to Private Placements Across the Mining Industry

April 2023

Sprott

For Accredited Investors Only

Global Leader in Precious Metals and Energy Transition Investments

Sprott

US\$23.4B in AUM¹

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

Exchange Listed Products	Managed Equities	Private Strategies
\$18.1B AUM ²	\$2.8B AUM ²	\$1.9B AUM ²
<ul style="list-style-type: none">Physical Bullion Trusts (NYSE Arca/TSX Listed)Physical Uranium Trust (TSX Listed)Sprott Energy Transition ETFs (Nasdaq & NYSE Arca Listed)Gold Mining Equity ETFs (NYSE Arca Listed)Sprott ESG Gold ETF (NYSE Arca Listed)	<ul style="list-style-type: none">Flagship U.S. Gold Equity Mutual FundClosed-End Value Fund (NASDAQ)Energy Transition Critical Minerals StrategySprott Hathaway Special Situations Strategy	<ul style="list-style-type: none">Bespoke credit investments to mining and resource companies

¹Sprott AUM as of December 31, 2022.

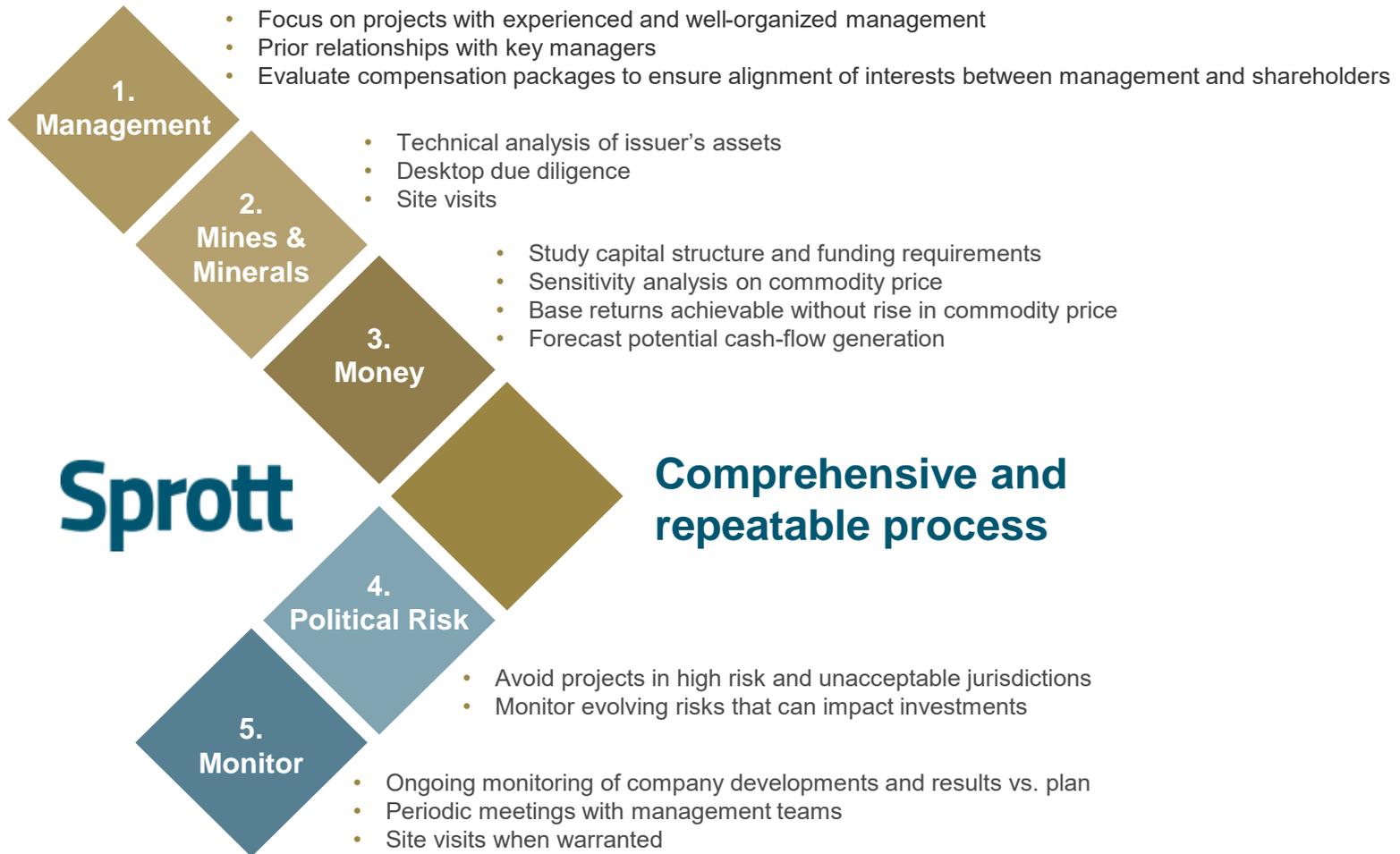
²AUM as of December 31, 2022.

Investment Strategy

The Fund seeks to deliver long-term capital appreciation through the origination of, and participation in, favorably priced private placement (PP) opportunities in natural resource companies. This will be accomplished by the following:

- **Focus** on precious and base metals opportunities with opportunistic exposure to energy, strategic metals and bulk commodities.
- **Strategic identification** and access to early-stage exploration and mineral development opportunities with asymmetrical risk/reward profiles.
- **Selecting** businesses run by management teams who are aligned with shareholders.
- **Analysis** using probability-weighted risk/reward **decisions for** determining investment decision and allocation size.

Investment Process



Why Resource Exploration and Development LP?

- Priority in obtaining private placement offerings.
- Exposure to **more** offerings, many of which are limited only to institutional investors.
- Actively managed and monitored by a team of experienced portfolio managers.
- Venture capital risk-reward profile
- Can take advantage of the cyclical swings that have historically categorized the commodity markets.
- Eliminates paperwork hassles – no more subscription agreement and legend removal forms.

What is a Private Placement?



A sale of security directly to private investors, rather than as part of a public offering. It is the primary method for early-stage companies to Fund their Exploration & Development activities.

The ultimate goal is to unlock value for shareholders.

The Advantages of a Private Placement

- Private placement units may include;
 - Share purchase warrants.
 - Shares at a discount to market prices.
- Allows us to negotiate terms directly with issuer.
- Enables strategic positioning in thinly traded securities.
- Establishes strong relationship with issuer management to help shape the *Use of Proceeds*.

Warrants – the Power of Leverage



- Warrants are the right, but not the obligation, to purchase additional shares of stock at a predetermined price for a specific period of time.
- When successful, they provide greater leverage to the upside than a normal investor would get through on-market purchases for NO additional capital outlay on day one.

Life Cycle of a Mining Company

Discovery

- Although geologic and share dilution risks are highest at this stage, it is also where the greatest upside reward potential can be found.

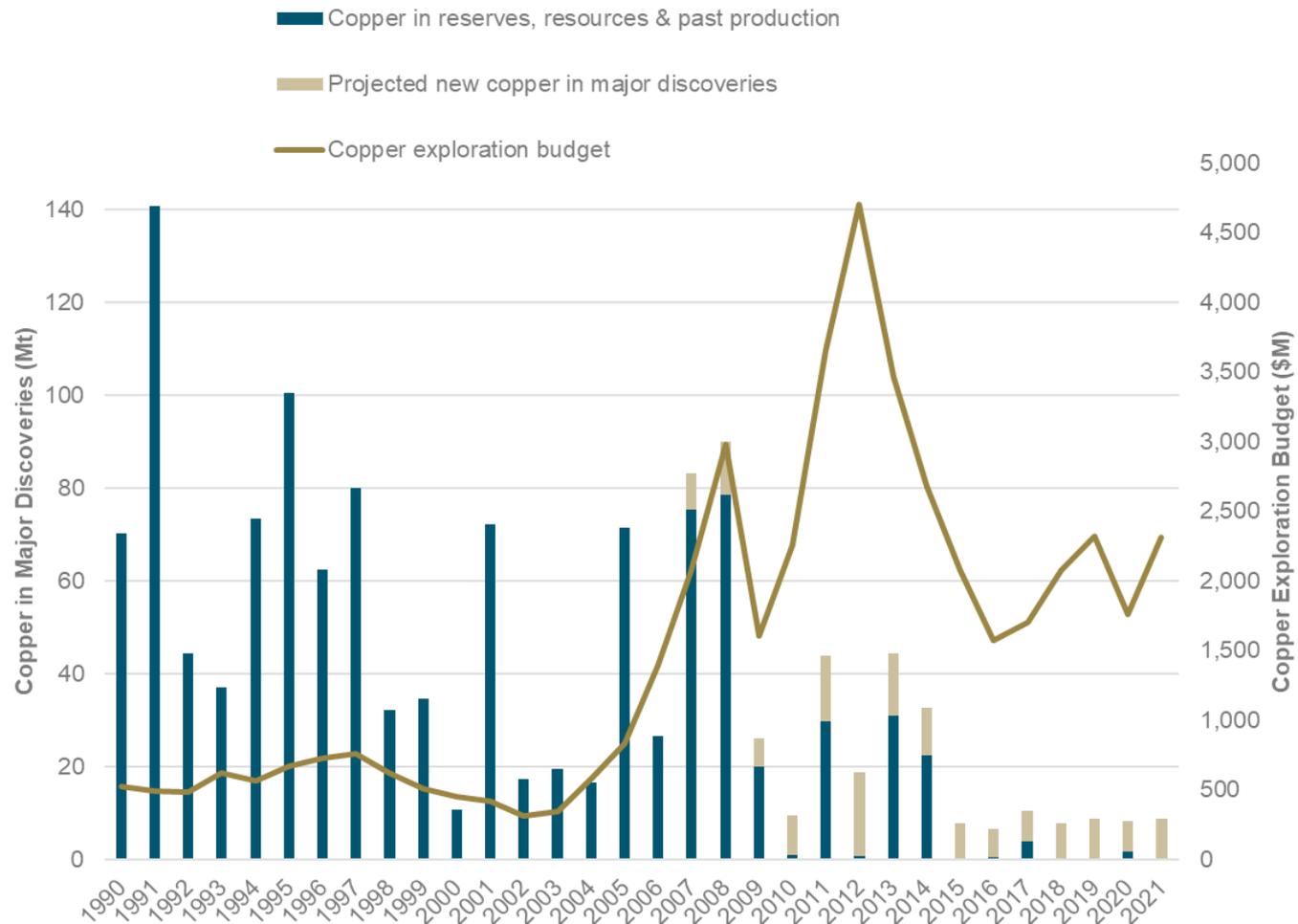
Development

- Risks shift to permitting challenges, metallurgical studies, economic assessments and construction risks. This is also where takeover premiums can occur as projects overcome these challenges.

Life Cycle of a Gold Mining Company



Discoveries are Rare and Increasingly Valuable



Data as of Sept 30, 2022

*Annual average London Metal Exchange copper grade A cash price.

Source: S&P Global Market Intelligence

Specialists with Niche Experience

1 Leader in Space

- Sprott is a Global Leader in the junior mining space leading hundreds of structured financing investments in the last decade.
- Many of these in recent years were done through the Carlsbad Investment Committee, managers of the RED LP.

2 Utilize Reputation

- Sprott's **Reputation** and deep industry relationships built over decades lead to proprietary deal flow origination
- Allows exposure to a wider range of opportunities than the average investor.

3 Technical Awareness

- Assess capital structure and future funding requirements
- Inhouse geoscientists help to flag risks not easily identifiable by untrained eyes
- Internal sensitivity analysis using discounted commodity prices

4 Industry Experience

- A team with **deep industry knowledge and contacts** can better navigate the risks of the junior resource sector and expose investors to outsized returns.

Investment Committee as Portfolio Managers

Better Analysis Leads to Better Deals

- Sprott Asset Management USA, a boutique investment firm founded by Rick Rule and acquired by Sprott in 2011.
- With over 30 years experience in the junior mining sector, we've seen many cycles across many commodities.
- The *Investment Committee* is drawn from the geoscientists, portfolio managers and senior investment executives — each with a unique skill set complementary to the group.
- This partnership provides an effective structure to pool client capital under a disciplined investment rationale.
- The combined experience of the team extends beyond what an individual PM could accomplish in terms of breadth and depth of experience. The methodology for identifying quality investments includes:
 - Proactively engaging with company management teams.
 - Conducting site visits to better understand asset potential as early as possible.
 - Leverage the global industry network cultivated by the group alongside the proprietary deal flow that comes directly to Sprott.
 - Use in-house financial and resource industry specialists available to Sprott to assist in a detailed understanding of projects potential and risks.

Carlsbad Investment Committee Members



Eric Angeli, Portfolio Manager (*Chair*)

Portfolio Manager and Financial Advisor with over 15 years experience advising and managing capital for institutions and HNW retail with a focus on the energy and mining sector.



Justin Tolman, Portfolio Manager and Economic Geologist

Mining and exploration industry veteran with decades of global experience across a range of commodities and deposit styles from discovery to operation. Financial experience with mining companies in corporate development and as a Senior Buy Side analyst



Jason Stevens, CFA, Portfolio Manager

Portfolio Manager of the Sprott Real Asset Value+ Strategy and has spent over 15 years advising clients on private equity and debt investments in natural resources-related businesses and partnerships.



Sam Broom, Portfolio Manager

Geologist and Senior Investment Advisor with over a decade of experience working in natural resources, initially as a geologist for an Australian mining engineering firm and then in the financial markets as an investment advisor servicing HNW retail and family offices



Mishka vom Dorp, Portfolio Manager

Portfolio manager and senior investment executive with over 10 years of experience investing and advising clients on the natural resource sector.

*full bios in appendix

Sprott's Deal Generation

2020

US\$859M

2021

US\$1,382M

2022 YTD

US\$688M

Total Deals

132

Reflects all private security transactions deals in which client assets were placed during relevant years for the three Sprott registered entities, SCP, SGRIL, SAM USA.

Partnership Details

INVESTMENT MANAGER	SPROTT ASSET MANAGEMENT USA, INC.
Portfolio Manager	Carlsbad Investment Committee
Investment Mandates	Primarily focused on private placement offerings in the natural resource space
Fund Structure	Callable Open-Ended, long only, no margin
Investor Entry Periods	Biannually (Dec 31st and June 30th)
Capital Calls	As needed basis by the Portfolio Manager and LPs have 30 days to remit funds. Penalties for any missed capital calls.
Target Fund Size	\$100m +
Redemptions	12 month lockup; thereafter quarterly with total redemptions per quarter limited to 25% of fund NAV
Eligible Investors	LP Fund is limited to 99 Qualified Client Investors* QP Fund is limited to 2,000 Qualified Purchase Investors**
Minimum Investment	\$250,000
Management Fee	\$250k to \$499k - 1.50%
	\$500k to \$999k - 1.25%
	+\$1m - 1.00%
Performance Fee	20% of net profits, includes a high water mark
Reporting	Annual audited financial statements available within 120 days following end of year; quarterly unaudited reports; quarterly tax information

*Qualified Clients must be able to submit verification of \$2.2m of investible assets or \$1.1m in advisory assets managed Sprott Asset Management USA, Inc.

**Qualified Purchasers must submit verification of \$5m of investible assets.

**Management fee breakpoints are based on committed capital and will be charged on called capital.

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Appendices

Investment Committee Members Bios

Eric Angeli has been a portfolio manager and investment advisor with Sprott for over 15 years, carving out a specialty focus investing in early stage exploration and development of natural resources. He manages capital for high net worth individuals and institutional investors wanting exposure to hard assets and commodities. Prior to joining Sprott, Eric worked alongside Rick Rule at Global Resource Investments, a boutique broker-dealer, which was acquired by Sprott in 2011. He grew up in the suburbs of New Jersey and holds BA degrees in finance and international business from NYU Stern School of Business.

Contact: EAngeli@sprottglobal.com

Justin Tolman joined Sprott Global Resource Investments in 2018 as an economic geologist. Prior to joining Sprott, Justin spent 20 years in the mining and exploration industry working across a wide range of commodities, geographies and deposit styles. He specializes in technical project evaluations.

Mr. Tolman has experience in all aspects of the exploration and mining value chain from grass-roots exploration and discovery, delineation drilling, resource estimation, engineering studies (PEA, PFS) and mine operations (both open-pit and underground). Before joining Sprott, Justin spent five years with global miner New Gold becoming the Manager, Generative Exploration. Before that he managed exploration projects for successful South American-focused junior explorer Exeter Resources between 2008 and 2012. The preceding decade Justin spent working across Australia for Normandy Mining, MIM Holdings and Newmont Mining, in increasingly senior roles; highlights from this period include being part of the discovery team on a multi-million ounce gold deposit in New South Wales and leading a multi-disciplinary generative team in a regional targeting study.

Mr. Tolman holds a BSc with 1st Class Honors in Economic Geology from James Cook University (Queensland), and an MBA from La Trobe University (Victoria). He is a Fellow of the Society of Economic Geologists, the Australian Institute of Geoscientists and is a registered Professional Geologist with the APGO.

Contact: JTolman@sprottglobal.com

Jason J. Stevens, CFA, is an Investment Advisor Representative with Sprott Asset Management USA and an Investment Executive with Sprott Global Resource Investments Ltd. Mr. Stevens also acts as Portfolio Manager of the Sprott Real Asset Value+ Strategy and is a member of the Sprott Asset Management USA Investment Committee. Jason has been with the firm since 2002. Originally recruited onto Sprott's trading desk, he has a robust understanding of the domestic and foreign equity, commodity, and currency markets. Alongside his investing and trading experience in the public markets, Mr. Stevens has spent over 15 years advising clients on private equity and debt investments in natural resources-related businesses and partnerships.

Mr. Stevens is a CFA® charterholder and a member of both the CFA Society of San Diego and the CFA Institute. The CFA® designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis. Mr. Stevens has been featured on industry sites such as Reuters, ProActive Investors, and Financial Poise.

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Investment Committee Members Bios (cont.)

Sam Broom joined Sprott Global in early 2016 having spent his early career working as an engineering geologist in the consulting industry, both in his native New Zealand and in Australia. During his time in Australia, Sam became heavily involved in the mining industry and gained extensive experience across a wide range of industry sub-sectors.

It was during his time in the Australian mining industry that Mr. Broom gained a passion for both the natural resources industries and the markets that support them. Now, he leverages his practical, firsthand knowledge of how these industries operate with his geological expertise and analytical skills honed through years working in the engineering sector, to find the best investment opportunities around the globe.

Mr. Broom also has a keen interest in charting and other forms of technical analysis, a discipline he believes is particularly useful when dealing with highly volatile junior mining stocks that are afflicted by extreme and rapid changes in sentiment. His investment philosophy focuses on combining a sound understanding of industry and company-specific fundamentals with technical analysis to fine-tune the timing of investment decisions in order to maximize portfolio returns.

Mr. Broom received his B.S. in Honors Geology from the University of Canterbury, Christchurch, New Zealand.

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Mishka vom Dorp is committed to analyzing all aspects of the resource market to identify and target spaces that have been overlooked by the majority of investors. Working closely with the members of his team, he conducts deep-dive due diligence using a value-orientated approach to investing while paying close attention to entry/exit strategies and risk mitigation.

Mishka began his career at Sprott USA Ltd. in early 2009 conducting extensive analysis and identifying opportunities in the resource space at a time when the sector was out of favor; this set the groundwork for a highly contrarian philosophy and investment approach. Mishka is not foreign to overlooked sectors; on behalf of the Swedish government, he led one of the most comprehensive field studies on microfinance applications in India from a company commercialization perspective, identifying factors affecting companies at the pre IPO stage.

Mishka holds an MBA in finance and a BSB in International Business from Umeå School of Business and Economics, Sweden. He is also a registered investment advisor and holds the Series 7, SIE, 63 & 65 licensing exams. He offers both discretionary and non-discretionary managed accounts for a select list of clients and welcomes the opportunity to maintain and build your resource portfolio.

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Generally, natural resources investments are more volatile on a daily basis and have higher headline risk than other sectors as they tend to be more sensitive to economic data, political and regulatory events as well as underlying commodity prices. Natural resource investments are influenced by the price of underlying commodities like oil, gas, metals, coal, etc.; several of which trade on various exchanges and have price fluctuations based on short-term dynamics partly driven by demand/supply and also by investment flows. Natural resource investments tend to react more sensitively to global events and economic data than other sectors, whether it is a natural disaster like an earthquake, political upheaval in the Middle East or release of employment data in the U.S. Past performance is no guarantee of future returns. Sprott Asset Management USA, Inc., 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.