

Statement Of Policies



Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700, PO Box 89
Toronto, Ontario M5J 2J2
Telephone: 416.943.6707
Toll Free: 866.299.9906
Facsimile: 416.362.4928
Email: invest@sprottwealth.com
Web: www.sprottwealth.com

IMPORTANT - The securities laws of certain jurisdictions of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal advisor.

GENERAL

Sprott Private Wealth LP (herein referred to as “SPW” or “we”) is registered under the securities laws of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as a dealer in the registration category of investment dealer.

Under certain circumstances, SPW may deal with or for you in securities transactions where the issuer of the securities or the other party involved in the transaction is this firm or a party having an ownership or business relationship with us, including affiliates of SPW that are registered under securities laws (a “**Sprott Registrant**”).

Since these transactions may create a conflict between our interests and yours, we are required by securities laws to disclose to you certain relevant matters relating to these transactions. This statement contains a general description of our policies and the required disclosures.

COMPLIANCE WITH LAW AND REGULATORY REQUIREMENTS

SPW, its officers and employees are required to fully observe, in letter and spirit, all laws governing their business and securities activities. SPW, its officers and employees must deal fairly, honestly and in good faith with its clients.

SPW will only engage in activities where it is confident that such activities are in compliance with all requirements imposed by applicable law. In particular, it is SPW’s policy to ensure that the engagement of other Sprott Registrants on behalf of SPW’s clients would only be done when it has been determined that such other Sprott Registrant is an appropriate selection in the circumstances.

In addition to applicable securities regulatory provisions and contractual provisions respecting any business arrangements that may exist between SPW and other dealers and advisers, the directors, officers and employees of each are subject to guidelines or codes of conduct governing their actions. Our internal compliance process supplements these policies and procedures.

RELATED AND CONNECTED ISSUERS

National Instrument 31-103 *Registration Requirements and Exemptions* SPW to disclose to investors whether any securities it recommends to investors to purchase or sell are securities issued by SPW, a related issuer or, during the distribution of the securities, a connected issuer of SPW. An issuer is related to SPW if, through the ownership of, or control over, voting securities or otherwise, the issuer is an influential securityholder of SPW, SPW is an influential securityholder of the issuer or if each of them is a related issuer of the same third party. An issuer is connected to SPW if it has a business relationship with SPW that, in connection with a distribution of securities of that issuer, may lead a reasonable prospective purchaser to question if the issuer and SPW are independent of each other.

In addition, SPW must disclose the name of any related issuer that is a reporting issuer in Ontario or that has distributed securities outside Ontario on a basis that, if it had done so in Ontario, would have made such issuer a reporting issuer. Set out below are the names of such related issuers:

- *Sprott Inc.* (“**SI**”, ”), a reporting issuer that is a related issuer of SPW because SI is an indirect 100% shareholder of Sprott Private Wealth GP Inc., the general partner of SPW, and is the sole limited partner of SPW.
- *Sprott Resource Corp.* (“**SRC**”), a reporting issuer that is a related issuer of SPW because the professional group (as such term is defined under National Instrument 33-105 *Underwriting Conflicts*) of an affiliate of SPW exercises control or direction over, or beneficially owns, directly or indirectly, 10% or more of the voting securities of SRC, and such affiliate has officers, directors or employees who constitute at least 20% of the directors of SRC. In addition, another affiliate of SPW has entered into an agreement to provide management services to SRC.

We may, from time to time, be deemed to be related or connected to one or more other issuers for purposes of the disclosure and other rules of the securities laws referred to above. We are prepared to act as a dealer in the ordinary course of our business to, and in respect of securities of, any such related or connected issuer and, in connection therewith to provide the full range of services customarily provided by us to, and in respect of securities of, other issuers. In any such case, such dealer and other services shall be carried on by us in the ordinary course of our business as a dealer in accordance with our usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

SPW, or its directors, officers, partners, salespeople or other employees may, from time to time, recommend that you trade in, or provide to you advice about, a security issued by these listed persons or companies. If you wish further information concerning the relationship between SPW and these listed persons or companies, or if you have any questions, please contact us.

RELATED REGISTRANTS

Where SPW has a principal shareholder, director or officer that is a principal shareholder, director or officer of another registrant, SPW shall adopt policies and procedures to minimize the potential for conflict of interest resulting from such relationship(s). SPW is also required to disclose to clients in writing, initially before making a trade for or providing advice to the client, and in a timely manner thereafter and, if possible, before making the next trade for or providing advice to the client, if there are any significant changes to this disclosure, the details of the relationship(s) and the policies and procedures adopted to minimize the potential for conflicts of interest resulting from such relationships. Sprott Asset Management LP (“SAM”), a registrant, is related to SPW, by virtue of each of SPW and SAM having SI as a direct or indirect holder of 100% of the voting securities of each general partner of SPW and SAM.

CONFLICTS OF INTEREST

Related Securities

The principal business activity of SPW is to trade securities on behalf of clients and provide investment advice in respect of these trades. In providing trading and advisory services to our clients it is important that our clients understand our interests in the service or transaction.

We must make certain disclosures where we (a) act as your dealer/broker; or (b) advise you, with respect to securities issued by us, by a related issuer or, in the course of a distribution, by a connected issuer (collectively, “**Related Securities**”).

In these situations, we must disclose our relationship with the issuer of the securities. We must also make disclosure to you where we know or should know that, as a result of our acting as your dealer/broker, Related Securities will be purchased or sold by you through us.

The following is a list of the time and manner in which these disclosures must be made:

- Where we purchase or sell securities for your account, the required disclosure will be contained in the confirmation of trade and monthly statement, which we prepare and send to you.
- Where we advise you with respect to the purchase or sale of securities, the disclosure must be made prior to our giving the advice.
- If there is a significant change to the information previously disclosed to you, SPW will notify you of the change in a timely manner and, if possible, before making the next purchase or sale of the securities for you or providing advice to you to purchase or sell the securities.

Potential for Conflict

To the extent that one Sprott Registrant determines it to be in the interests of its clients to engage the services of, or invest in financial products offered by, another Sprott Registrant, it could be subject to a potential conflict of interest, given its indirect relationship with the other Sprott Registrants. SPW and its officers and employees must ensure that if they select another Sprott Registrant to assist a SPW client it is based on the determination that such other Sprott Registrant is an appropriate selection having regard to the client’s circumstances.

Representatives of SPW and other Sprott Registrants may from time to time act as officers of SPW and may also be officers of other Sprott Registrants. All Sprott Registrants have adopted policies and procedures that minimize the potential for conflicts of interest resulting from the relationships of the officers and the Sprott Registrants, and all officers are required to observe such policies in carrying out their duties.

There will be two individuals who will be dually licensed with both SPW and SAM, namely:

Name	Position at SPW	Position at SAM
James Fox	Registered Representative	President
Kirstin H. McTaggart	Chief Compliance Officer	Chief Compliance Officer

SPW and SAM propose to manage potential conflicts associated with the dual registration of the individuals in the following manner:

- Each dually registered individual will have sufficient time in their work week to fully and properly discharge their responsibilities at SPW and SAM.
- In order to protect client confidentiality, each dually registered individual shall be prohibited from disclosing any confidential client information to any person other than the staff of the relevant entity or for the purpose of performing the relevant services for the client.

MISUSE OF CONFIDENTIAL AND INSIDER INFORMATION

The misuse of confidential information or misuse of any insider information not generally disclosed, for personal gain or for the benefit of anyone else, is prohibited and grounds for serious sanction.

CONFIDENTIALITY AND PRIVACY

In addition, SPW has adopted a privacy policy in accordance with the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information of SPW clients. This policy states that SPW will only disclose this information to third parties or its affiliates in limited specific circumstances on a strictly confidential basis.

MONEY LAUNDERING AND TERRORIST FINANCING

As outlined by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, SPW is obligated to implement specific measures to detect and deter money laundering and the financing of terrorist activity. As such, all investments into our accounts require completed documentation to be submitted by investors. It is our duty to report to the Financial Transactions and Reports Analysis Centre of Canada confirmation of any investors engaged in money laundering. This reporting requirement will not be deemed to be a breach of any information disclosure restrictions imposed by applicable law or otherwise.

Please do not hesitate to contact us should you have any questions with regards to SPW’s Statement of Policies or should you require further details on any SPW policies and practices.

Revised March 2011.