



### INVESTMENT OBJECTIVE

The Partnership's investment objective is to achieve capital appreciation and significant tax benefits for Limited Partners by investing in a diversified portfolio of Flow-Through Shares and other securities, if any, of resource issuers.

### INVESTMENT HIGHLIGHTS

#### Portfolio Management



**Jason Mayer**, Senior Portfolio Manager, Sprott Asset Management LP\*  
 – Resource and flow-through specialist  
 – Experienced lead portfolio manager of resource and flow-through funds

#### The Sprott 2017-II Flow-Through Advantage:

- Expected to be 100% tax-deductible against 2017 taxable income.
- Full liquidity in less than 18 months, with tax deferral options: Tax-deferred rollover to Sprott Resource Class in Q1, 2019.
- Senior Portfolio Manager Jason Mayer has significant experience in the natural resource sector.
- Jason Mayer is supported by Sprott Asset Management's broader team of experienced resource investment professionals and in-house technical services team.

#### Fund Details

Offering Size	Maximum: \$30,000,000 (1,200,000 units) Minimum: \$5,000,000 (200,000 units)
Issue Price	\$25.00 per Unit
Minimum Subscription	\$5,000 (200 Units)
Management Fee	2.0%
Performance Bonus	20% of amount that Net Asset Value per unit exceeds \$28.00
Timing	Initial Closing: September 2017

#### BREAK-EVEN CALCULATION<sup>1</sup>

Assumed marginal tax rate <sup>2</sup>	53.53%
Investment <sup>2</sup>	\$1,000
Income tax savings from deductions	(\$595)
Capital gains tax <sup>3,4</sup>	\$30
<b>Total income tax (savings)</b>	<b>(\$565)</b>
<b>Money at risk<sup>5</sup></b>	<b>\$435</b>
<b>Break-even proceeds of disposition<sup>6</sup></b>	<b>\$594</b>

For illustrative purposes only.

\*SPR & Co LP ("SPRLP") is the Manager of the Sprott Flow-Through LPs. SPRLP has appointed Sprott Asset Management L.P. ("SAM") as the Sub-Advisor of the Flow-Through LPs. SAM is registered as a Portfolio Manager with the Ontario Securities Commission and Investment Fund Manager.

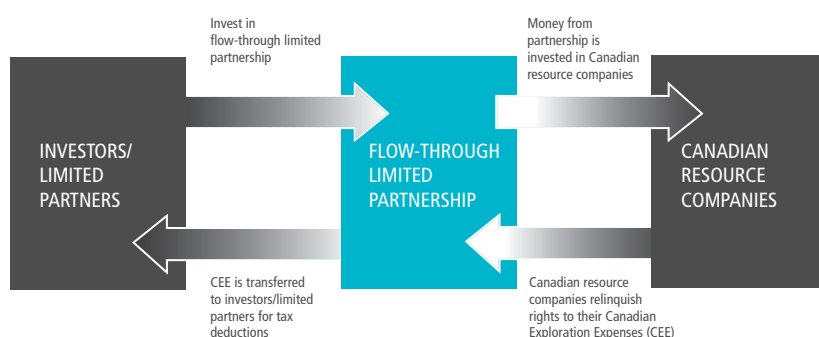
# SPROTT 2017-II FLOW-THROUGH LIMITED PARTNERSHIP

## What are Flow-Through shares?

The Federal Government allows Canadian resource companies that invest in the oil and gas, mining and renewable energy sectors to fully deduct certain exploration expenses, known as Canadian Exploration Expenses (CEE). To raise capital for exploration, those companies often issue flow-through shares and pass along the rights to claim the CEE to the purchasers of those shares. The shareholders are then able to deduct the CEE against their own income.

## What is a Flow-Through Limited Partnership?

Flow-through limited partnerships are professionally managed diversified portfolios of flow-through shares. The amounts invested are generally 100% deductible against taxable income in the year the investment is made.



Most flow-through limited partnerships have a life span of two years or less. At termination of the partnership, unitholders receive shares of an open-ended mutual fund corporation on a tax-deferred basis. The adjusted cost base of their shares (ACB) is reduced by the tax deductions and increased by any capital gains from the investments sold within the limited partnership portfolio.

## Tax benefits of flow-through limited partnerships

### Tax Savings

The cost of flow-through limited partnerships is 100% tax-deductible in the year they are purchased. In addition, the proceeds from the disposition of the partnership are taxable as capital gains.

### Tax Efficiency

Investing in flow-through shares effectively converts income into capital gains, allowing investors to take advantage of any capital loss carry-forwards.

The following summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser of units of Sprott 2017-II Flow-Through Limited Partnership (the "Partnership"). Purchasers acquiring units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law and is able to determine optimal use of an investor's federal and provincial deductions and/or credits, as well as impact, if any, on an investor's liability for alternative minimum tax.

**This offering is only made by preliminary prospectus. The Partnership's preliminary prospectus contains important detailed information about the securities being offered. Copies of the preliminary prospectus may be obtained from your IROC registered financial advisor. Investors should read the preliminary prospectus before making an investment decision.**

This is a speculative offering. The purchase of units involves significant risks. There is no assurance of a return on a subscriber's initial investment. Please refer to the preliminary prospectus for the complete list of risk factors associated with an investment in the units.

This document is for information purposes only and should not be relied upon as investment advice. We strongly recommend that you consult your investment professional for a comprehensive review of your personal financial situation before undertaking any investment strategy. Information herein is subject to change without notice and SPR&Co LP is not responsible for any inaccuracies or to update this information.

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**SPR&CO**

<sup>1</sup> Based on maximum offering.

<sup>2</sup> For illustrative purposes only, the Highest Marginal Tax Rate in Ontario.

<sup>3</sup> Assumed that 50% of capital gains are taxable in computing a Limited Partner's income.

<sup>4</sup> Assumed that the Flow-Through Shares held by the Partnership are sold by the Partnership at the price at which the Partnership acquired the shares. If Flow-Through Shares are purchased at a premium to the market price, the market price must appreciate in order for the Partnership to sell the shares at the price at which the Partnership acquired the shares.

<sup>5</sup> Calculated as total investment by Limited Partner less total income tax savings from deductions.

<sup>6</sup> Represents the amount an investor must receive such that after paying capital gains tax, the investor would recover the money at risk. Calculated as money at risk divided by one minus the product of (i) an assumed 53% marginal tax rate multiplied by (ii) the rate at which capital gains are taxed in the year of disposition, which is currently 50%.