



INDEX METHODOLOGY

NASDAQ SPROTT CRITICAL MATERIALS™ INDEX

NSETM™

INDEX DESCRIPTION

The Nasdaq Sprott Critical Materials Index is designed to track the performance of a selection of global securities in the critical materials industry. Critical Materials (“Materials”) are raw metals and minerals that are essential to meeting growing global energy demand that comes from rapidly emerging technologies, improvements to energy infrastructure and the transition to a less carbon-intensive economy. For the purpose of this Index, these Materials include uranium, copper, lithium, nickel, cobalt, graphite, manganese, rare earths and silver.

SECURITY ELIGIBILITY CRITERIA

Security types

A security must be classified as a common stock or depositary receipt. References to the “issuer” of a depositary receipt are references to the issuer of the underlying security.

Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the Reconstitution Reference Date, only that Index Security may be eligible; otherwise, only the security with the highest three-month average daily traded value may be eligible.

Listing Exchanges

A security must be listed on an eligible exchange named in Appendix A.

Industries and sectors

A security’s issuer must be classified by Sprott as a Critical Materials Producer, Developer, Explorer, Refiner, Smelter, Recycler or Royalty Company; or as a company that invests all or a significant portion of its assets in Critical Materials or engages in supplying Critical Materials. Classification is based on the

definitions below. All references to “revenue” are references to gross revenue as reported in a company’s most recent available audited financial statements.

- **Producers:** companies that extract Critical Materials and that have a significant percentage of their revenue tied to the sale of these Materials
- **Developers:** companies that have the majority of their operations related to preparing mines for Critical Materials extraction
- **Explorers:** companies that have the majority of their operations related to searching for Critical Materials, which may involve mapping, surveying, testing water and soil samples, drilling, etc.
- **Refiners:** companies that mine and purify Critical Materials and that have a significant percentage of their revenue tied to the sale of these Materials
- **Smelters:** companies that mine Critical Materials and apply heat to ore in order to extract Critical Materials and that have a significant percentage of their revenue tied to the sale of these Materials
- **Recyclers:** companies that recover and process scrap Critical Materials so that it can be introduced as a raw material for new goods and that have a significant percentage of their revenue or operations tied to the sale of these Materials
- **Royalty Companies:** companies that make investments in Critical Materials interests, including royalties, streams, debt and equity in Critical Materials companies.

Additionally, a security’s issuer must have an Intensity Score of at least 50%. The Intensity Score for securities with revenue and for which revenue is deemed to be an appropriate characteristic is the percentage of their revenue attributable to the aforementioned strategy of this Index. For securities without revenue or for which revenue is an inappropriate characteristic, the Intensity Score is given at 50%. Issuers without revenue or for which revenue is an inappropriate characteristic may include, but is not limited to, junior mining companies involved in the development and exploration of Critical Materials.

Market capitalization

A security not in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$100 million (USD).

A security in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$50 million (USD).

Seasoning

To be eligible for initial index inclusion, a security must have been listed and available for trading on an eligible exchange for at least three full calendar months, not including the month of initial listing. For seasoning purposes, eligible exchanges include those named in Appendix A. The seasoning eligibility is determined as of the Reconstitution Reference Date and includes that month.

For example, to be considered for inclusion at the June Reconstitution, a security must have been listed and available for trading on an eligible exchange no later than the last trading day of February, with seasoning occurring over the months March, April, and May.

Any security that is already a member of the Index, including those added as the result of a spin-off event, will be exempt from the seasoning requirement.

Liquidity

A security not in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$500,000 (USD).

A security in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$250,000 (USD).

Other eligibility

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

INDEX CALENDAR

Reconstitution schedule

The Index is reconstituted semi-annually in June and December by applying the Constituent Selection Process to all securities that meet the applicable Security Eligibility Criteria.

Reconstitution reference dates

Unless otherwise specified, the Security Eligibility Criteria and Constituent Selection Process are applied by using data as of the last trading day of May and November.

Reconstitution announcement dates

Index Reconstitutions are announced in early June and December.

Reconstitution effective dates

Index Reconstitutions become effective at market open on the first trading day following the third Friday of June and December.

Rebalance schedule

The Index is rebalanced semi-annually in June and December in conjunction with the Index Reconstitution. The Index Rebalance Reference Dates, Announcement Dates and Effective Dates are the same as those of the Index Reconstitution.

Holiday schedules

The Index is calculated Monday through Friday and does not close for holidays.

Index calculation and dissemination schedule

The Index Value is calculated five (5) days a week, Monday through Friday, once per second from the start of the trading day in Tokyo (09:00:01 Japan Standard Time) until the close of the trading day in New York (17:16:00 Eastern Time).

CONSTITUENT SELECTION

Every security that meets all applicable Security Eligibility Criteria is selected for inclusion in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified theme-adjusted free float market capitalization-weighted index.

Constituent weighting process

A Theme-Adjusted Free Float Market Capitalization is calculated for each constituent by multiplying a security's free float market capitalization by its Intensity Score. The security's weights (prior to adjustments listed below such as maximum-security weight and maximum commodity weight) are then determined by these adjusted market capitalizations. Constituents' initial weights are determined by dividing each constituent's Theme-Adjusted Free Float Market Value by the aggregate Theme-Adjusted Free Float Market Value of all constituents.

Initial weights are then adjusted to meet the following constraints:

- The aggregate weight of constituents classified as any specific Critical Material may not exceed 25%.
- No constituent's weight may exceed 4.75%.

For additional information about index weighting, see **Nasdaq Index Weight Calculations**.

INDEX MAINTENANCE

Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable. Such alternations may include a merger, acquisition or other major corporate event that would otherwise adversely affect the integrity of the Index.

Corporate actions

In the interim periods between scheduled index reconstitution and rebalancing events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. With the exception(s) noted below, specific treatment of each type of corporate action or event is described in **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the “Non-Market Cap Corporate Action Method.”

Index share adjustments

Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled Index rebalance and reconstitution events.

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at <http://indexes.nasdaqomx.com>.

For more information on the general Index Announcement procedures, please refer to the **Nasdaq Index Methodology Guide**.

Unexpected market closures

For information on Unexpected Market Closures, please refer to the **Nasdaq Index Methodology Guide**.

Calculation types

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), please refer to the **Nasdaq Index Policies & Procedures: Calculation Manual – Equities & Commodities**.

Recalculation and restatement policy

For information on the Recalculation and Restatement Policy, please refer to the **Nasdaq Index Recalculation Policy**.

Data sources

For information on data sources and the classification of dividends and associated tax rates, please refer to the **Nasdaq Index Methodology Guide**.

Contact information

For any questions regarding an Index, please contact the Nasdaq Index Client Services team at indexservices@nasdaq.com.

Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaqomx.com/> as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more detailed information regarding Index Dissemination, see the **Nasdaq Index Methodology Guide**.

Website

For further information, please refer to Nasdaq GIW website at <https://indexes.nasdaqomx.com/>.

FTP and dissemination service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

GOVERNANCE

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the Index determination process. For further details on the Index Methodology and Governance overlay, refer to the **Nasdaq Index Methodology Guide**.

GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

See **Nasdaq Index Methodology Guide**.

APPENDIX A: ELIGIBLE EXCHANGES

Country	Operating Exchange
Australia	Australian Securities Exchange
Austria	WIENER BOERSE AG
Belgium	NYSE Euronext, Euronext Brussels
Brazil	BM&FBOVESPA S.A.
Canada	CANADIAN SECURITIES EXCHANGE
Canada	TSX VENTURE EXCHANGE
Canada	TMX Group Inc.
Chile	Bolsa de Comercio de Santiago
Colombia	Bolsa de Valores de Colombia
Czech Republic	Prague Stock Exchange
Denmark	NASDAQ OMX Copenhagen
Egypt	The Egyptian Exchange
Finland	NASDAQ OMX Helsinki
France	NYSE Euronext Paris
Germany	Deutsche Börse AG
Germany	DEUTSCHE BOERSE AG
Greece	Athens Exchange
Hong Kong	Hong Kong Exchanges and Clearing
Hungary	Budapest Stock Exchange
India	Bombay Stock Exchange Ltd.
India	National Stock Exchange of India Limited
Indonesia	Indonesia Stock Exchange

Country	Operating Exchange
Ireland	Irish Stock Exchange
Israel	Tel-Aviv Stock Exchange
Italy	Borsa Italiana (Part of London Stock Exchange Group)
Japan	Tokyo Stock Exchange Group, Inc.
Korea, Republic of	Korea Stock Exchange
Luxembourg	LUXEMBOURG STOCK EXCHANGE
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
Morocco	Bourse de Casablanca
Netherlands	NYSE Euronext - Euronext Amsterdam
New Zealand	New Zealand Exchange Ltd.
Norway	Oslo Børs
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Portugal	NYSE Euronext - Euronext Lisbon
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Spain	Bolsa de Barcelona
Sweden	NASDAQ OMX Stockholm
Switzerland	SWISS EXCHANGE
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand

Country	Operating Exchange
Turkey	Istanbul Stock Exchange
United Kingdom	London Stock Exchange
United States	CBOE BZX U.S. EQUITIES EXCHANGE
United States	NASDAQ OMX US
United States	New York Stock Exchange

APPENDIX B: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
9/30/2024	Index name	Nasdaq Sprott Energy Transition Materials Index	Nasdaq Sprott Critical Materials Index. All instances of “Energy Transition Materials” and “ETM” are replaced with “Critical Materials” throughout the Index Methodology.
6/24/2024	Security eligibility criteria: Security types	A security must be classified as a common stock, ordinary share, depositary receipt or ETP. References to the “issuer” of a depositary receipt are references to the issuer of the underlying security.	A security must be classified as a common stock or depositary receipt. References to the “issuer” of a depositary receipt are references to the issuer of the underlying security.
6/24/2024	Security eligibility criteria: Seasoning	A security must have been traded at least three months prior to the Reconstitution Reference Date.	To be eligible for initial index inclusion, a security must have been listed and available for trading on an eligible exchange for at least three full calendar months, not including the month of initial listing. For seasoning purposes, eligible exchanges include those named in Appendix A. The seasoning eligibility is determined as of the Reconstitution Reference Date and includes that month. For example, to be considered for inclusion at the June Reconstitution, a security must have been listed and available for trading on an eligible exchange no later than the last trading day of February, with seasoning occurring over the months March, April, and May.

Effective Date	Methodology Section	Previous	Updated
			Any security that is already a member of the Index, including those added as the result of a spin-off event, will be exempt from the seasoning requirement.

DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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