

Silver Bullion Trust files Trustees' Circular and recommends that Unitholders REJECT the Sprott Offer, TAKE NO ACTION and DO NOT TENDER their Units to the Sprott Offer

June 9, 2015

Silver Bullion Trust ("SBT") (symbol: TSX – SBT.UN (C\$) and SBT.U (US\$)) announced today that it has filed its Trustees' Circular (the "Circular") in response to the offer by Sprott Asset Management Silver Bid LP (the "Offeror") to acquire all of the outstanding Units of SBT (the "Sprott Offer"). The Offeror is an affiliate of Sprott Asset Management LP and Sprott Inc. (collectively, "Sprott"). Sprott is offering to acquire all of the outstanding Units of SBT in exchange for units of Sprott Physical Silver Trust ("Sprott PSLV") on a net asset value ("NAV") for NAV basis, with the actual values to be finalized on the expiry date of the Sprott Offer, being July 6, 2015 (unless extended or withdrawn).

SBT Unitholders are urged to read and carefully consider the contents of the Circular. The Circular is being mailed to Unitholders and can also be accessed from SBT's website, www.silverbulliontrust.com, or on SEDAR at www.sedar.com.

"After a thorough review of the Sprott Offer, and following the receipt of advice from its financial, tax and legal advisors, and the UNANIMOUS recommendation of the members of the Special Committee of Independent Trustees, the Board of Trustees of SBT reached the conclusion that the Sprott Offer is opportunistic and not in the best interests of SBT and its Unitholders. **Accordingly, the Board of Trustees recommends that Unitholders REJECT the Sprott Offer, TAKE NO ACTION with respect to the Sprott Offer, and DO NOT TENDER their Units to the Offer**", said Bruce Heagle, Chair of the Special Committee.

In arriving at its recommendation that **Unitholders REJECT the Sprott Offer**, the Board of Trustees considered, among other things, the following significant factors, details of which can be found in the "Reasons for Rejecting the Sprott Offer" section of the Circular filed today:

1. Sprott is not offering ANY meaningful premium and the ultimate price Unitholders would receive is unclear

The Sprott Offer is opportunistic, and solely based on the current difference in trading prices relative to NAV of SBT Units and Sprott PSLV units, a difference which is small and a result of the current bear market for silver. SBT Units have traded at significant premiums to NAV in strong silver markets. The Trustees believe the long-term outlook for silver is positive, and positive silver markets in the past have yielded significant improvement in the trading value of Units relative to their NAV.

In addition, the Sprott Offer provides no certainty of value for SBT Unitholders, as it is based on a future NAV for NAV exchange ratio to be determined on the expiry date of the Sprott Offer. Under the Sprott Offer, Unitholders would receive Sprott PSLV units on closing – if these units are trading at a discount to their NAV, as they have in the past, any value purported to be "unlocked" by the Sprott Offer could be materially reduced or eliminated.

2. SBT Unitholders recently overwhelmingly rejected the adoption of a physical redemption feature, a material feature of the Sprott Offer

Sprott PSLV has a physical bullion redemption feature, available only to investors with very large holdings, which Sprott believes limits trading discounts to NAV. Such a physical redemption feature would potentially expose certain non-redeeming U.S. Unitholders to increased future tax liability and effectively reduce leverage to rising silver prices. Sprott PSLV's physical redemption feature is substantially the same as the one that Polar Securities proposed that SBT adopt – a proposal that was overwhelmingly rejected by over 91% of votes cast (excluding Polar) at SBT's Annual and Special Meeting of Unitholders held just last month.

3. Sprott PSLV charges investors significantly higher fees than SBT, which will erode NAV over time and materially reduce the purported "unlocked" value of the Sprott Offer

Sprott PSLV's annual expense ratio is over 60% higher than SBT's, and includes a fixed management expense ratio, whereas SBT's is based on a sliding scale which passes on the benefits of asset growth to Unitholders. On a present value basis, the increase in fees relating to the Sprott Offer is equivalent to approximately US\$3.3¹ million in lost value for SBT Unitholders, or 6% of SBT's current total NAV.

¹ Based on a 5% discount rate, in perpetuity.

SBT's low expense ratio has been maintained in large part due to both Messrs. Ian McAvity, Bruce Heagle, Jason Schwandt and Michael Parente (the "Independent Trustees") and Silver Administrators Ltd. (the "Administrator") voluntarily waiving the majority of the fees to which they have been entitled over the past six years, including waiving 75% of their total stated fees in 2014. The Trustees and Administrator have agreed to waive their fees in order to serve all Unitholders by maintaining SBT's competitiveness relative to comparable bullion investment entities.

4. Sprott PSLV provides investors with almost no voting or other governance rights

SBT is overseen by a Unitholder-elected, majority independent (4 of 5) Board of Trustees and offers a Unitholder-friendly governance structure. In stark contrast to SBT, Sprott PSLV offers its investors virtually no voting or other governance rights. Sprott PSLV does not have an elected Board, does not hold annual meetings, requires minimum holdings of 50% of NAV to requisition a meeting and does not allow unitholders to elect Sprott PSLV's manager. If the Sprott Offer were successful, Sprott PSLV's limited governance rights would represent a complete deviation from SBT's best-in-class governance structure.

5. Sprott PSLV offers less bullion security and safeguards than SBT

SBT stores its bullion on an unencumbered, fully allocated and physically segregated basis in an underground Level 3 (the highest security rating possible) Canadian chartered bank vault. Sprott PSLV does not offer the same high level of bullion safeguards as SBT. SBT's industry-leading bullion safeguards are very important to many of SBT's long-term Unitholders.

6. Sprott has a very poor track record of managing investor capital

Sprott manages a large number of investment funds with a demonstrated track record of poor performance. As a manager of investor capital, Sprott has lost over \$1 billion of investor capital while at the same time receiving hundreds of millions in management fees from these same investors. Based on Sprott's track record, which is summarized in the Circular, the Trustees believe that Sprott is not well suited to steward Unitholders' capital.

7. Sprott PSLV's physical redemption feature may result in increased tax liability for certain non-redeeming U.S. Unitholders

If the Sprott Offer is successful, Sprott PSLV's physical redemption feature would expose certain non-redeeming U.S. Unitholders to potentially increased ongoing future tax liabilities if Sprott PSLV delivers silver to satisfy a physical redemption request from a unitholder and the price of silver exceeds Sprott PSLV's undisclosed Canadian dollar cost base for its silver holdings. As a result, if any Unitholder elects to redeem when silver prices exceed the Canadian dollar cost base of Sprott PSLV's silver bullion, certain non-redeeming U.S. Unitholders could incur tax liabilities even though they took no action themselves. These potential tax liabilities would increase if the silver price were to increase in Canadian dollar terms due to either a decrease in the Canadian/U.S. dollar exchange rate or increases in silver prices.

8. The Exchange Offer Election and Merger Transaction may not qualify as a tax-deferred reorganization and, as a result, may be a fully taxable transaction for all U.S. Unitholders

Sprott states in the circular accompanying the Sprott Offer that "[b]ecause the determination of whether the exchange pursuant to the Exchange Offer Election and the Merger Transaction qualifies as a Reorganization [under Section 368 of the Code] depends on the resolution of complex issues and facts, some of which will not be known until the completion of the Offer and the Merger Transaction, there can be no assurance that the exchange pursuant to the Exchange Offer Election and the Merger Transaction will qualify as a Reorganization".

9. The Sprott Offer has been structured to bypass traditional statutory securityholder protections

One of the key conditions to the Sprott Offer is the passing of a special resolution, using the powers of attorney granted by tendering Unitholders making the Merger Election, that would amend SBT's Amended and Restated Declaration of Trust to lower the threshold required to be achieved by a bidder in order to effect a compulsory acquisition or redemption of remaining Units, from 90% to 66⅔%. The Amended and Restated Declaration of Trust originally set the threshold at 90% to track the parallel requirements in corporate law designed to protect minority securityholders and their dissent rights. Sprott would lower this traditional threshold in order to be able to compel full completion of the Merger Transaction, having only obtained tenders from 66⅔%, in a single step.

Ian McAvity, Lead Independent Trustee commented: "The Trustees understand that the unusually elevated discounts to NAV at which SBT Units have recently traded are of concern to investors; however, Sprott's opportunistic offer is not the solution. We are actively considering a number of potential measures, including possible amendments to the existing cash redemption feature of SBT, which could potentially reduce future trading price discounts to NAV. Among the factors guiding the

Trustees' analysis of such measures are the accessibility of any amended features to all Unitholders, the necessity that any such measures be accretive to non-redeeming Unitholders and the potential tax liabilities to Unitholders in connection therewith.”

Bruce Heagle added: “The Sprott Offer essentially asks Unitholders to accept materially higher ongoing fees, reduced bullion security and safeguards, materially reduced or eliminated voting and governance rights and increased potential future tax liability. In return, the Sprott Offer provides no meaningful premium and uncertain value based on a future exchange ratio.”

The Board recommends that Unitholders **REJECT the Sprott Offer, TAKE NO ACTION and DO NOT TENDER their Units to the Sprott Offer.**

Unitholders who have already tendered their Units to the Sprott Offer can withdraw their Units by contacting their broker or D.F. King & Co., North America Toll-Free at 1-800-398-2816; or via email at inquiries@dfking.com

Bennett Jones LLP is acting as legal counsel to the Special Committee of the Independent Trustees of SBT, Dentons Canada LLP is acting as legal counsel to SBT and CIBC World Markets Inc. is acting as financial advisor to SBT.

About Silver Bullion Trust

Silver Bullion Trust, established on July 9, 2009, is a passive, self-governing, single purpose trust, which invests primarily in long-term holdings of physical silver bullion and it does not speculate in silver prices. At June 8, 2015, the Units of Silver Bullion Trust were 99.8% invested in unencumbered, allocated and physically segregated silver bullion.

For further information, please contact D.F. King & Co., North America Toll-Free at 1-800-398-2816; or via email at inquiries@dfking.com

Forward Looking Statements

Certain statements contained in this press release constitute “forward-looking statements” or “forward-looking information” (collectively, "Forward-Looking Statements"), including those related to: the reasons of the Board of Trustees for recommending to Unitholders the rejection of the Sprott Offer, not taking any action with respect to the Sprott Offer and not tendering any Units to the Sprott Offer; the anticipated costs, risks and uncertainties associated with the Sprott Offer including any tax risks; any potential adoption by SBT of an amended cash redemption feature and any anticipated impact on SBT, Unitholders, the market price for Units and any trading discount to NAV resulting from the adoption of such cash redemption feature; the anticipated timing, mechanics, completion and settlement of the Sprott Offer; the value of the Sprott PSLV units that would be received as consideration under the Sprott Offer; the ability of the Offeror to complete the transactions contemplated by the Sprott Offer; any anticipated results or performance of Sprott PSLV, the Offeror, or any other affiliates of Sprott; any anticipated changes to the market price of Sprott PSLV units or any other securities of Sprott and its affiliates; and any anticipated future prices of silver and the Units.

The Trust cautions investors about important factors that could cause actual results or outcomes to differ materially from those expressed, implied or projected in such Forward-Looking Statements. Such Forward-Looking Statements involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these projections, estimates, expectations or assumptions will prove to be correct and any Forward-Looking Statements included in this press release should not be unduly relied upon. These Forward-Looking Statements speak only as to the Trust's beliefs, views, expectations and opinions as of the date of this press release. Except as required by applicable securities laws, the Trust does not intend and does not assume any obligations to update or revise these Forward-Looking Statements, whether as a result of new information, future events or otherwise. In addition, this press release may contain Forward-Looking Statements drawn from or attributed to third party sources. Factors that could cause or contribute to such differences include, but are not limited to, those risks detailed in the Trust's filings with the Canadian securities regulatory authorities.