

**Silver Bullion Trust Files Information Circular and Recommends That Unitholders  
Vote FOR the Proposed ETF Conversion and Immediately Withdraw Any Units Tendered to Sprott's Offer  
ETF Conversion with Enhanced Redemption Features is a Clearly Superior Alternative to Sprott's Offer**

(Toronto, ON, December 4, 2015) – Silver Bullion Trust (“SBT”) (symbol: TSX – SBT.UN (C\$) and SBT.U (US\$)) announced today that it has filed its Trustees’ Information Circular (the “Circular”) for the upcoming special meeting of unitholders to be held on January 26, 2016 (the “Meeting”). The Meeting has been called for unitholders to consider and vote on the proposed conversion (the “ETF Conversion”) of SBT into a silver bullion exchange-traded fund (“ETF”) to be managed by Purpose Investments (“Purpose”), with bullion holdings administered by Silver Administrators Limited, SBT’s current administrator.

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](http://www.silverbulliontrust.com) and also on SEDAR at [www.sedar.com](http://www.sedar.com).

Following a successful vote on the ETF Conversion and until all stock exchange and regulatory approvals are received for the ETF Conversion, **SBT’s current redemption features will be amended to immediately provide significantly enhanced liquidity for ALL unitholders, similar to the liquidity expected after completion of the ETF Conversion.** The proposed changes to SBT’s current redemption features, to be effective immediately following unitholder approval and other required approvals, and for the period prior to completion of the ETF Conversion, are as follows:

1. SBT will immediately implement a cash redemption feature which will allow **ALL** unitholders to redeem their units for **cash at 100% of net asset value<sup>1</sup>** (“NAV”) **on a bi-weekly basis**. This redemption feature is superior to the physical redemption feature of Sprott Physical Silver Trust (“Sprott PSLV”), which is only available monthly, and which would only be available to certain large SBT unitholders with holdings of approximately 17,750 units or US\$140,000 in NAV; and,
2. SBT will immediately implement a **daily cash redemption feature at 95% of NAV<sup>2</sup>** that will be available to **ALL** unitholders. This compares favourably with Sprott PSLV’s cash redemption feature which is at the lesser of (i) 95% of the market price of Sprott PSLV units, and (ii) NAV, and is only available on a monthly basis. The new SBT daily cash redemption feature is identical to the enhanced redemption feature that was approved by the Trustees in June, but was blocked by Sprott’s court actions.

The ETF Conversion is subject to stock exchange and regulatory approvals as described in the Circular. Following completion of the ETF Conversion, SBT’s daily **cash** redemption feature at 95% of NAV will be retained, and the bi-weekly cash redemption feature will be replaced with a daily **bullion** redemption feature (at 100% of NAV<sup>3</sup>) similar to that of existing silver bullion ETFs in the marketplace. In the event that the ETF Conversion is not completed, only the 95% cash redemption feature would be retained on an ongoing basis. Given the enhanced redemption features to be implemented immediately following unitholder approval, we expect that SBT unitholders will receive much of the benefit of the ETF structure in advance of the actual completion of the ETF Conversion.

Bruce Heagle, Chair of the Special Committee of the Independent Trustees of SBT, stated “We urge all SBT unitholders to carefully review the Circular, which outlines all the pertinent details of the proposed ETF Conversion and its anticipated benefits to **ALL** unitholders. The proposed ETF Conversion is expected to provide unitholders with:

- **Better liquidity and redemption features than Sprott PSLV;**
- **Better bullion security and safeguards than Sprott PSLV;**
- **Better ability to grow than Sprott PSLV; and**
- **Substantially lower fees than Sprott PSLV**

Given the advantages of the proposed ETF Conversion and the implementation of enhanced redemption features, the Independent Trustees, with the assistance of legal and financial advisors, have concluded that the ETF Conversion with Purpose represents a clearly superior alternative to the unsolicited Sprott offer for **ALL** SBT unitholders. Accordingly, **the Board of Trustees recommends that unitholders vote FOR the ETF Conversion.** For any unitholders who may have already tendered their units to Sprott’s offer, **it is very important that they withdraw any tendered units immediately** in order to have the opportunity to review and consider the proposed ETF Conversion. Sprott has said they intend to use the powers of attorney attached to any tendered units to replace the Independent Trustees, which would deny SBT unitholders

**The Choice is Clear - ETF Conversion is the Superior Alternative for ALL SBT Unitholders**

SBT Urges ALL Unitholders to Vote FOR the ETF Conversion & Immediately WITHDRAW any Units Tendered to the Sprott Offer  
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the opportunity to consider the superior alternative we are recommending. We thank unitholders for their continued patience and support of Silver Bullion Trust.”

In arriving at its recommendation, the Board of Trustees considered, among other things, the following significant factors, details of which can be found in the “Reasons for Voting in Favour of the ETF Conversion” section of the Circular filed today:

### **Reasons to Vote FOR the ETF Conversion**

- 1. The ETF Conversion is expected to eliminate material trading discounts to NAV and significantly enhance liquidity for Unitholders**
  - SBT units expected to trade in-line with NAV, similar to other silver bullion ETFs
  - Market makers would provide significantly enhanced two-way liquidity in SBT units
- 2. Enhanced cash redemption features will provide unitholders with significantly increased liquidity immediately following unitholder approval**
  - Unitholders will gain immediate liquidity following approval of the ETF Conversion through ability to redeem for cash at 100% of NAV until ETF Conversion is completed
  - Enhanced cash redemption features should cause SBT units to trade in-line with NAV in the market
  - Enhanced cash redemption features should provide superior liquidity for unitholders relative to Sprott PSLV
- 3. The ETF Conversion would maintain SBT's low administration fees, which are 76%<sup>4</sup> lower than those of Sprott PSLV**
  - All the anticipated benefits of the ETF Conversion will come at no additional cost to unitholders
  - Additional 25% reduction in administration fees to recover up to \$100,000<sup>5</sup> in costs incurred to defend against Sprott's hostile bid
- 4. As an ETF, SBT will have an enhanced ability to grow its asset base as units will be continuously offered at NAV on a daily basis, and thus reduce expenses on a per unit basis**
  - ETF structure provides ability to grow in all market conditions – would reduce expenses for unitholders due to allocation of fixed costs across larger asset base and SBT's unique sliding-scale administration fee structure
- 5. The ETF Conversion would maintain SBT's industry-leading bullion security and safeguards, which are superior to those of Sprott PSLV**
- 6. Unitholders will benefit from Purpose's experience in ETF management and marketing at no additional cost**
  - The senior management team at Purpose are among Canada's most experienced ETF managers and marketers, and have internal and external extensive sales and distribution contacts
  - Purpose has a track record of growth – the principals of Purpose built Claymore Investments from start-up to one of Canada's largest ETF providers, with \$8 billion in assets under management, before selling to BlackRock in 2012
- 7. The ETF Conversion is not expected to have any material adverse tax effect on SBT or its unitholders and will preserve SBT's tax efficient structure**
- 8. Sprott's Offer is self-serving - they have a very poor track record as a manager of investor capital and are desperate to reverse declines in their assets under management and fee income**
  - Unitholders should not believe Sprott's self-serving rhetoric, which is designed to distract from the obvious deficiencies in their offer and their poor track record
  - Sprott's assets under management and fee income are down 28% and 38%, respectively over the last three years – their offer is a transparent and desperate attempt to reverse these declines, with no regard to what's best for SBT unitholders

Bennett Jones LLP is acting as legal counsel to the Special Committee of the Independent Trustees of SBT, Dentons Canada LLP and Dorsey & Whitney LLP are 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 silver bullion and does not speculate in silver prices. At December 4, 2015, the units of Silver Bullion Trust were 99.4% invested in unencumbered, allocated and physically segregated silver bullion. Units may be purchased or sold on the Toronto Stock Exchange.

#### **Additional Information and Where to Find It**

The recommendation of the Trustees described herein with respect to Sprott's offer is contained in the Trustees' Circular dated June 9, 2015 (the “Trustee's Circular”), which has been filed with Canadian securities regulatory authorities. Unitholders are urged to read the Trustees' Circular, as amended, and other relevant materials because they contain important information. The Trustees' Circular and other filings made by SBT with Canadian

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securities regulatory authorities since 2009 may be obtained without charge at <http://www.sedar.com> and at the investor relations section of the SBT website at <http://silverbulliontrust.com/Filings%20and%20News.htm>.

### **Forward-Looking Statements**

Certain statements contained in this press release constitute “forward-looking information” under Canadian securities laws (collectively, “Forward-Looking Statements”), including those related to: the anticipated impacts on SBT following implementation of the proposed amendments to the cash redemption provisions of the Declaration of Trust and the completion of the ETF Conversion, including the anticipated impacts on unit liquidity, trading discounts to NAV, administration fees, bullion security and safeguards, marketing capabilities and the ability to grow SBT’s asset base; the tax consequences of the proposed cash redemption features and the ETF Conversion on SBT and its unitholders; the continued listing of units on Canadian stock exchanges following adoption of the proposed amendments to the Declaration of Trust and completion of the ETF Conversion; any anticipated steps or actions that Sprott might take using the amended powers of attorney, including the removal of SBT’s independent Trustees, the election of Sprott’s own Trustee nominees and the completion of the Sprott offer, the reasons of the Board of Trustees for recommending to unitholders the rejection of Sprott’s offer, not taking any action with respect to Sprott’s offer, not tendering any units to Sprott’s offer and withdrawing any units already tendered to Sprott’s offer; the anticipated costs, risks and uncertainties associated with Sprott’s offer, including any anticipated impacts on bullion security, governance and unitholder rights, potential tax risks, leverage to rising silver prices and fees to be collected by Sprott; the anticipated timing, mechanics, completion and settlement of Sprott’s offer; the value of the Sprott Physical Silver Trust units that would be received as consideration under Sprott’s offer; the ability of Sprott to complete the transactions contemplated by Sprott’s offer; any anticipated results or performance of Sprott Physical Silver Trust or any other affiliates of Sprott; any anticipated changes to the market price of Sprott Physical Silver Trust units or any other securities of Sprott and their affiliates; any anticipated future prices of silver and the units; and the proposed ETF conversion and related amendments to SBT’s constating documents, the anticipated benefits thereof and the likelihood of such proposed transactions being completed on the terms outlined herein or at all. SBT 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 SBT’s beliefs, views, expectations and opinions as of the date of this press release. Except as required by applicable securities laws, SBT 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 SBT’s filings with the Canadian securities regulatory authorities.

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<sup>1</sup> Net of reasonable transaction costs incurred by SBT related to the redemption.

<sup>2</sup> Net of reasonable transaction costs incurred by SBT related to the redemption.

<sup>3</sup> Net of reasonable transaction costs incurred by SBT related to the redemption.

<sup>4</sup> The expense ratio is calculated based on the administrative/management fees incurred over the twelve-months ended September 30, 2015, divided by the average end-of-month NAV for each entity over the same period. This yields an expense ratio of 0.46% for Sprott Physical Silver Trust and 0.11% for SBT. Administration/management fees are sourced from the respective financial statements of Sprott Physical Silver Trust and SBT and historical monthly NAV data is sourced from Bloomberg. The figure for SBT reflects waiver by the Administrator and Trustees of 75% of its administration fee. To the knowledge of the Trustees, it is the intention of the Administrator and Purpose to continue the waiver of 75% of the administrative/management fees, including following the ETF Conversion.

<sup>5</sup> Subject to pro-rata reduction based on exchanges or redemptions of units during the first 30 days following the ETF Conversion.

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