

Silver Bullion Trust

Wednesday July 22, 2015

Silver Bullion Trust (symbol: TSX – SBT.UN (Cdn.\$) and SBT.U (U.S.\$) U.S. OTC – SVRZF (U.S.\$)) has today released selected financial information in U.S. dollars relating to net assets and financial results for the six months ended June 30, 2015.

The interim financial statements of Silver Bullion Trust are prepared and reported in United States (“U.S.”) dollars in accordance with International Accounting Standards Board (“IAS”) 34 “Interim Financial Reporting” and may not include all of the information required for full annual financial statements.

STATEMENTS OF FINANCIAL POSITION (expressed in U.S. dollars, unaudited)

	<i>June 30, 2015</i>	<i>December 31, 2014</i>
	\$	\$
Assets:		
Silver bullion at market	49,358,131	50,206,965
Cash	401,830	799,671
Other receivables and prepayments	59,923	40,310
Total assets	49,819,884	51,046,946
Liabilities:		
Accrued liabilities	479,636	97,832
Total liabilities	479,636	97,832
Equity:		
Capital	53,014,800	53,014,800
Retained earnings (deficit) inclusive of unrealized appreciation/depreciation of holdings	(3,674,552)	(2,065,686)
Total equity	49,340,248	50,949,114
Total liabilities and equity	49,819,884	51,046,946
Total equity per Unit	9.02	9.32
Exchange rate: U.S. \$1.00 = Cdn.	1.2474	1.1601
Total equity per Unit expressed in Canadian dollars	11.26	10.81

The change in net assets (total assets less total liabilities) as reported in U.S. dollars, which will occur from period to period, was primarily a result of the changing market price of silver and the quantity of silver held by the Trust.

Net assets decreased by \$3.5 million or 6.6% during the three months ended June 30, 2015. This decrease was attributable to a 5.4% decrease in the price of silver during the period. Unanticipated costs related to the Special Meeting were also a factor in the decrease in net assets during the period.

Net assets decreased by \$1.6 million or 3.2% during the six months ended June 30, 2015. This decrease was attributable to a 1.7% decrease in the price of silver during the period. The impact of the unanticipated Special Meeting costs was also a factor in the decrease in net assets during the period.

STATEMENTS OF COMPREHENSIVE INCOME
(expressed in U.S. dollars, unaudited)

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	\$	\$	\$	\$
Income:				
Interest	309	598	759	1,191
Total income	309	598	759	1,191
Expenses:				
Safekeeping fees and bank charges	19,964	23,115	40,179	46,484
Administration fees	14,526	17,767	29,535	35,970
Auditors' fees	6,600	8,883	13,823	20,712
Regulatory filing fees	6,487	4,998	12,975	12,020
Unitholder information	6,211	3,869	8,952	7,676
Trustees' fees and expenses	4,849	4,740	10,184	10,152
Registrar and transfer agent fees	3,613	4,108	6,845	7,779
Stock exchange fees	2,897	3,114	5,794	6,229
Legal fees	1,699	5,159	8,548	9,736
Special Meeting Costs	532,592	-	577,344	-
Unsolicited takeover bid costs	43,398	-	43,398	-
Total expenses	642,836	75,753	757,577	156,758
Net loss from Trust administration	(642,527)	(75,155)	(756,818)	(155,567)
Change in unrealized appreciation/depreciation of holdings	(2,829,511)	2,829,828	(852,048)	4,304,570
Net income (loss) and comprehensive income (loss) inclusive of the change in unrealized appreciation/depreciation of holdings	(3,472,038)	2,754,673	(1,608,866)	4,149,003

Net loss, inclusive of the change in unrealized appreciation/depreciation of holdings, for the three months ended June 30, 2015 was \$3.5 million compared to net income of \$2.8 million for the comparable period in 2014. Net loss, inclusive of unrealized appreciation/depreciation of holdings, for the six months ended June 30, 2015 was \$1.6 million compared to net income of \$4.1 million for the comparable period in 2014. Much of the reported net loss for both the three and six-month periods was a result of the change in unrealized appreciation/depreciation of holdings, which is not distributable income. Certain expenses, such as administration fees and safekeeping fees, vary in proportion to net asset levels. Administration fees, which are scaled and calculated monthly based on the net assets at each month end, decreased during the three and six-month periods ended June 30, 2015 as compared to the same periods in 2014. The decrease in administration fees was a direct result of the lower level of average net assets under administration during the period. Expenses for the three and six month periods ended June 30, 2015 were significantly higher, particularly during the three months ended June 30, 2015, due to costs incurred as a result of the Special Meeting held on May 20, 2015 and an unsolicited takeover bid initiated on May 27, 2015.

Expenses as a percentage of the average of the month-end net assets (the "expense ratio") for the three-month period ended June 30, 2015 was 1.25% compared to 0.12% for the three-month period in 2014. For the six-month period ended June 30, 2015, the expense ratio was 1.45% compared to 0.25% for the six-month period ended June 30, 2014. For the twelve-month period ended June 30, 2015, the expense ratio was 1.65% compared to 0.49% for the twelve-month period ended June 30, 2014. The increases in the expense ratios were a direct result of costs incurred for the Special Meeting held on May 20, 2015 and of costs associated with the unsolicited takeover bid by Sprott Asset Management.

If not for the significant expenses of the Special Meeting and subsequent unsolicited takeover bid, the expense ratios for each of the three, six and twelve-month periods would have slightly increased compared to the expense ratios in 2014. Specifically, for the three-month period ended June 30, 2015, the expense ratio would have been 0.13% compared to 0.12% for the comparative three-month period in 2014. For the six-month period ended June 30, 2015 the expense ratio would have been 0.26% compared to 0.25% for the same period in 2014. For the twelve-month period ended June 30, 2015, the expense ratio would have been 0.50% compared to 0.49% for the comparative period in 2014.

Ordinarily, there is no intention to sell any of the Trust's silver holdings unless it becomes necessary to generate cash to meet ongoing expenses. However, due to the extraordinary, and non-recurring, expenses relating to the Special Meeting and the unsolicited takeover bid, the Trust has limited cash resources at present and the Board is actively considering a number of alternatives to enable it to satisfy these added expenses and ongoing requirements. These alternatives include the sale of all or a portion of the Trust's silver certificates and/or a portion of its silver bullion; one or more private placements of Units; and/or the issuance of Units to certain of its service providers in lieu of making payment in cash, subject in each case to any required regulatory approvals.

Silver Bullion Trust 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 June 30, 2015, the Units of Silver Bullion Trust were 99.2% invested in unencumbered, allocated and segregated silver bullion. Units may be purchased or sold on the Toronto Stock Exchange and over-the-counter in the United States.

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