

ATTENTION SILVER BULLION TRUST UNITHOLDERS

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LETTER TO UNITHOLDERS

April 24, 2015



Dear Fellow Unitholders,

On May 20, 2015 we will be holding the 6th Annual Meeting of Silver Bullion Trust ("**SBT**" or the "**Trust**") at 11:00 a.m. at the offices of Bennett Jones LLP in Toronto, Ontario.

We strongly encourage all holders ("**Unitholders**") of SBT's units ("**Units**") to complete the enclosed WHITE proxy form or voting instruction form, as applicable, and vote in favour of the matters recommended by your Board of Trustees (the "**Trustees**"). The matters being considered are of critical importance to the ongoing integrity of your Trust and your vote is essential to ensuring that your voice is heard and that your silver bullion assets continue to be soundly stewarded in the secure, low-cost manner that you have come to expect.

This meeting has been organized as an Annual and Special Meeting because one of SBT's Unitholders, a tax exempt, Cayman Islands-based hedge fund called North Pole Capital Master Fund (the "**North Pole Fund**"), represented in Canada by its fund manager Polar Securities Inc. ("**Polar Securities**" and, collectively with the North Pole Fund, "**Polar**") is proposing to significantly alter the founding principles and construct of your Trust. The proposal put forward by Polar advocates changes to the redemption provisions of SBT's Amended and Restated Declaration of Trust which, if accepted, would allow a very small number of large Unitholders including Polar, to redeem their Units for physical silver bullion at the Net Asset Value ("**NAV**") of the Trust. Polar is also proposing changes to the existing cash redemption provisions of your Trust. Finally, Polar is seeking to replace all of the Independent Trustees with its handpicked slate of nominees.

The net effect of Polar's proposal will be to significantly increase SBT's ongoing expenses, reduce bullion security and safeguards, reduce liquidity, potentially restrict certain investors from owning Units and turn the future stewardship of SBT over to a group of nominees who have no demonstrable experience stewarding a passive bullion holding trust and who likely share Polar's short-term investment philosophy. If, as your Trustees expect, Polar and perhaps other large Unitholders take advantage of the physical bullion redemption option – an option that will not be available to the vast majority of Unitholders – it will expose many Unitholders, particularly in the United States, to significant adverse tax consequences. Polar has also indicated to your Trustees that it would, if successful, seek reimbursement of its own costs related to its proposals, in addition to the significant expense they have caused your Trust to bear already, thereby further reducing SBT's limited cash resources and its net assets to the detriment of all Unitholders.

Your Trustees DO NOT, in any way, support Polar's redemption proposal, as it is inherently self-serving and contrary to the original design, structure and investment philosophy of the Trust to which you have entrusted your hard-earned capital. The Trust was created in 2009 with a singular, self-governing and passive purpose. The clear and stated intention of the Trust's founders was to provide all of SBT's investors, be they individual or institutional, with a safe, secure and cost effective way to hold unencumbered and physically segregated silver bullion for the long term.

Further, all of the Trust's silver bullion bars are held on a fully allocated basis within the highest rated treasury vaults of a major Canadian chartered bank, with tightly restricted, controlled and monitored access.

Polar purchased its SBT Units beginning in 2013 at a discount to NAV, with the intent of trading out of their position at NAV. Now Polar is proposing the adoption of a self-serving physical redemption feature, which would not be available to the vast majority of Unitholders, for the sole purpose of facilitating their own short-term exit, at NAV, without regard to the significant negative consequences for long-term, non-redeeming Unitholders. The Trustees believe that Polar does not deserve special treatment, which would come at the expense of other Unitholders, who generally have purchased Units to benefit from long-term appreciation in the price of silver in the safest, lowest cost and most tax effective manner available.

Polar asserts that its physical bullion redemption proposal will result in Units trading at or near NAV. We believe that this assertion is entirely speculative and simply reflects Polar's self-serving opinion. Polar has offered no verifiable evidence to support its claims on the impact of a physical redemption option on the trading price of Units and chooses to ignore certain fundamental factors that the Trust and its financial advisors believe impact such trading discount, including the size of the Trust and the relative illiquidity and historical trading volume of the Units. Polar also claims that the adverse tax consequences that could impact many non-redeeming Unitholders and the increased costs that would result are not material. If it is successful in implementing its proposed physical bullion redemption option, we believe that Polar Securities and its Cayman Islands-based North Pole Fund, consistent with their history as short-term arbitrage traders, will be long gone before the full impact of their proposed changes is known.

As you know, we are currently in a prolonged bear market for silver investments. In such markets, closed-end bullion entities such as the Trust often trade at discounts to NAV. Conversely, when the silver market and outlook for silver are positive, they tend to trade at premiums to NAV. The historical trading statistics for the Trust's Units bears this out. In the past, negative silver markets and the resultant discounts to NAV at which Trust Units have traded were short-lived. This current bear market for silver has lasted longer than any in the Trust's 6 year history. Your Trustees understand that the unusually high discounts at which the Units currently trade are of concern to investors; however, Polar's proposals are not the solution. If it were as simple as Polar proposes, your Trustees, acting in the best interest of all Unitholders, would have implemented such changes long ago.

The Trustees have serious concerns about the potential negative tax and other consequences associated with the Polar proposals. Most importantly, given the small size of the Trust, SBT simply cannot afford the Polar proposals. In addition to the significant costs that this process has already imposed on the Trust, costs which are ultimately borne by all Unitholders through a lower NAV, the Polar proposals would dramatically increase SBT's ongoing annual expense ratio, and negatively impact the Trust's marketability and competitiveness relative to other bullion investment alternatives.

All of the factors requiring your consideration are more fully explained within the accompanying documents, including the Trust's Management Information Circular. We urge all Unitholders to

read and carefully consider the information contained therein as we believe adopting the Polar proposals would adversely affect Unitholders and the Trust.

Principals of the Trust's founder and administrator, Silver Administrators Ltd. (the "**Administrator**") have over 30 years of experience administering physical bullion investments. During this period, which includes the inception of the Trust, the Administrator and your Trustees have never received public criticism or faced a dissident Unitholder resolution. Your Trustees and Administrator remain committed to maintaining the Trust as among the safest, lowest cost, and most tax efficient investment entities for all investors who wish to benefit from long-term appreciation in the price of silver bullion.

For these reasons and after very careful consideration of all available information, including the recommendation of the Special Committee of Independent Trustees, **your Trustees are strongly recommending that all Unitholders REJECT Polar's self-serving proposal, vote AGAINST all of Polar's proposed resolutions, DISREGARD any materials and proxy forms received from Polar and vote FOR the Trustee nominees of SBT. We urge you to vote the WHITE proxy only, as your Trustees recommend.**

On a related note, you may have seen a recent announcement by Sprott Asset Management LP ("**Sprott**") that it intends, together with the Sprott Physical Silver Trust, to make an exchange offer to acquire all of the outstanding Units of SBT. At the time of writing, your Trustees have not received any formal offer regarding SBT. Unitholders can rest assured that if and when any offer is received, your Trustees will consider it thoroughly, respond accordingly and advise Unitholders of their recommendation regarding any such offer. In the meantime we ask ALL Unitholders to focus on the business of the Annual and Special Meeting which will precede any required action regarding Sprott's anticipated offer.

Thank you for your consideration of these matters.

With great respect and appreciation for your confidence in SBT,



J.C. Stefan Spicer,
Founder, Chairman and CEO,
Silver Bullion Trust



Ian M.T. McAvity,
Lead Independent Trustee
Silver Bullion Trust

RECOMMENDATION TO UNITHOLDERS

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE USING ONLY THE ENCLOSED WHITE PROXY FORM:



FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as Auditor;



FOR the election of each of the five persons nominated by the Trust and named herein as Trustees;



FOR the ratification of the Advance Notice Rule;



AGAINST the Dissident Board Resolutions; and



AGAINST the Dissident Redemption Resolution

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS:



**DISREGARD ANY PROXIES AND PROXY MATERIALS
RECEIVED FROM POLAR AND DO NOT VOTE FOR ANY
NOMINEES OF POLAR**

IF YOU ARE A BENEFICIAL UNITHOLDER AND RECEIVE A VOTING INSTRUCTION FORM OR OTHER FORM OF PROXY FROM AN INTERMEDIARY, THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN THE MANNER INDICATED ABOVE.

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REASONS FOR REJECTING THE POLAR PROPOSAL

On February 3, 2015, the Board of Trustees (the "**Board**", "**Trustees**" or the "**Board of Trustees**") of Silver Bullion Trust (the "**Trust**") received a Unitholder meeting requisition (the "**Polar Requisition**") from Polar Securities Inc. ("**Polar Securities**") on behalf of its Cayman Islands-based hedge fund North Pole Capital Master Fund (the "**North Pole Fund**" and, collectively with Polar Securities, "**Polar**"). In order to avoid the Trust having to hold a separate meeting of Unitholders and incurring all of the requisite costs and expenses related to such a meeting, the Trustees determined that it was more cost effective and in the best interests of Unitholders to table the items of business set forth in the Polar Requisition at the Trust's upcoming annual meeting of Unitholders. Therefore, the Trust's upcoming annual meeting of Unitholders, which is scheduled to be held on May 20, 2015, has been constituted as an annual and special meeting of Unitholders (the "**Meeting**").

The Polar Requisition requires that the Trust submit two matters to Unitholders for consideration: (i) a series of related ordinary resolutions (the "**Dissident Board Resolutions**"), the effect of which would be to remove the all of the incumbent independent Trustees of the Board and replace them with handpicked nominees of Polar; and (ii) a special resolution (the "**Dissident Redemption Resolution**") approving certain significant amendments to the redemption rights provisions of the Amended and Restated Declaration of Trust of the Trust dated July 9, 2009 (the "**Declaration of Trust**") to implement a physical bullion redemption option, as well as changes to the existing cash redemption provision (the "**Polar Proposal**"). The Dissident Board Resolutions and Dissident Redemption Resolution are described further under "Particulars of Matters to be Voted Upon at the Meeting" in the accompanying Management Information Circular of the Trust dated April 24, 2015 (the "**Circular**"), and the full text thereof is set out in Appendix "C" and Appendix "D", respectively, of the Circular.

Following initial discussions with Polar and based on advice from legal advisors, the Board of Trustees formed a special committee (the "**Special Committee**"), composed entirely of Trustees independent from the Administrator and senior executive officers of the Trust (the "**Independent Trustees**"), for the purpose of considering and responding to all matters related to the Polar Proposal. The Special Committee is composed of Messrs. Bruce D. Heagle (Chairman), Ian M. T. McAvity, Michael A. Parente, and Jason A. Schwandt. The Special Committee retained Bennett Jones LLP as its independent legal advisors. CIBC World Markets Inc. is acting as financial advisor to the Trust.

The Board has reviewed the Polar Proposal and has had numerous discussions and meetings with Polar and its representatives and advisors since January 19, 2015 to ensure that the Polar Proposal and Polar's intentions were fully understood. **After a thorough review of the Polar Proposal, exploring several possible alternatives and following the receipt of advice from its financial, tax and legal advisors, and the unanimous recommendation of the members of the Special Committee, the Board unanimously reached the conclusion that the Polar Proposal is inconsistent with the long-standing investment principles of the Trust and not in the best interests of the Trust and all of its Unitholders. Accordingly, the Board is unanimously recommending that the Dissident Board Resolutions and Dissident Redemption Resolution be REJECTED by Unitholders.**

The Trustees believe that should Polar be successful, Polar will promptly redeem its Trust Units for physical bullion and exit its position in the Trust at a profit, leaving the Trust's remaining Unitholders with a bill not only for the unforeseen expenses of dealing with the Polar Requisition, but also for Polar's proxy solicitation and legal expenses, significantly higher ongoing expenses, a smaller, less liquid investment, and Polar's inexperienced Trustee nominees running the Trust. In

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addition, the Polar Proposal would give rise to negative tax consequences for certain non-redeeming U.S. Unitholders if Polar or other large Unitholders were to elect to redeem their Units for physical bullion.

For these reasons, which are outlined in greater detail below, the Board of Trustees unanimously recommends that Unitholders vote **AGAINST** the Dissident Board Resolutions and **AGAINST** the Dissident Redemption Resolution.

The Board of Trustees further unanimously recommends that Unitholders **DISREGARD** any proxy materials received from Polar, **DISREGARD** any Trustee nominees put forward by Polar and **DO NOT** complete any proxy form provided by Polar.

The Board of Trustees unanimously recommends that Unitholders vote **FOR** the election of the Trust's nominees as Trustees described under the heading "Particulars of Matters to be Voted upon at the Meeting – Election of Trustees" in the accompanying Circular. See also "Reasons for Rejecting the Polar Nominees" below.

POLAR'S SELF-SERVING PROPOSAL IS DESIGNED TO ALLOW POLAR TO EXIT AN ILLIQUID INVESTMENT AT THE EXPENSE OF ALL OTHER UNITHOLDERS

Unlike the majority of the Trust's Unitholders who the Trustees believe are long-term silver bullion investors, Polar manages the North Pole Fund, **a Cayman Islands-based hedge fund** that the Trust understands controls approximately 10.02% of the issued and outstanding Units of the Trust. The North Pole Fund has a stated strategy of "Closed-End Fund Arbitrage", a short-term trading strategy that is in direct conflict with the long-term investment horizon of the Trust and many of the Trust's Unitholders. Consistent with this strategy, the Trustees believe that the Polar Proposal is a self-serving attempt to facilitate a short-term trade, without any regard for the negative long-term impact it would have on the Trust and its Unitholders.

Polar purchased its Units at a discount to net asset value ("NAV") beginning in 2013 with what Polar confirmed in discussion with the Trustees was the intention of trading their Units out at NAV in the future. However, given the relative illiquidity and historical trading volume of the Units, Polar appears to have accumulated too large a position in the Trust to be able to sell its position without materially impacting the trading price of Trust Units, and could incur substantial losses if it sold its position at current trading levels. In response, Polar has proposed the adoption of a self-serving physical redemption feature in order to facilitate its own profitable exit from the Trust at the expense of the Trust's other Unitholders. The Trustees understand that only approximately 1% of Unitholders would be capable of utilizing the physical redemption option based on the proposed minimum size requirement.

Your Trustees do not believe that the adoption of a costly structural change to the Trust, one that would not be available to the majority of the Trust's other approximately 2,600 Unitholders, solely to facilitate Polar's exit, is in the best interests of all Unitholders. **Polar made an informed decision when they invested in the Trust, and did so on the same basis as all of the Trust's other Unitholders. The Trustees believe that Polar does not deserve special treatment, which would come at the expense of other Unitholders**, who generally have purchased Units to benefit from long-term appreciation in the price of silver in the safest, low cost and most tax effective manner available.

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In unanimously recommending that Unitholders **REJECT** the Polar Proposal, vote **AGAINST** the Dissident Redemption Resolution and vote **AGAINST** the Dissident Board Resolutions, the Board of Trustees considered, among other things, the following significant factors:

1. The Polar Proposal runs contrary to the basic investment fundamentals and principles on which the Trust was established

In 2009, the Trust was established with the objective of allowing all types of investors interested in long-term silver bullion appreciation to hold unencumbered, fully allocated and physically segregated silver bullion in the safest, lowest cost and most tax effective manner possible. The Trust continues to fulfill this mandate and the Trustees believe that the Trust's current structure is superior to other available silver bullion investment entities for those investors who want to hold and not actively trade in physical silver bullion.

When the Trust was initially structured, many types of structures, jurisdictions and possible redemption features were considered, including a physical bullion redemption option. A physical bullion redemption option was deliberately not incorporated into the structure of the Trust because, among other things, it would have resulted in:

- higher ongoing administration and vault operating costs;
- vault security concerns due to increased vault activity;
- material adverse tax consequences for certain non-redeeming U.S. Unitholders (see "Certain United States Tax Considerations" in the accompanying Circular); and
- possible restrictions on the ability of certain investors to purchase Units or utilize a physical bullion redemption option.

The Trustees are of the opinion that these same issues, which are described in more detail below, still exist today. Polar asserts that a physical redemption option is currently industry "best practice" for bullion funds. The Trustees believe that such a redemption option is simply a "different" rather than a "best" practice, with important negative consequences for long-term bullion investors who have bought Trust Units on the basis of its current sound principles and structure.

2. Only approximately 1% of Unitholders, including Polar, would be eligible to utilize the proposed physical redemption feature, and the Trust is too small to attract significant arbitrage investors

Polar's proposed physical bullion redemption feature would only be available to Unitholders with holdings at least equivalent to the value of ten, 1,000 troy ounce London Good Delivery silver bars. At the current silver price, this equates to holdings of greater than approximately US\$160,000 (C\$193,000), or over 17,800 Units. Based on a review of the Trust's Unitholder base, **only approximately 1% of Unitholders, including Polar, have holdings large enough to be eligible for physical redemption.**

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Polar claims that the adoption of a physical bullion redemption feature will cause the Units to trade at or close to NAV. Their analysis ignores the size, liquidity and current Unitholder base of the Trust, and asks Unitholders **to believe their self-serving analysis as they exit their position in the Trust.**

If, as expected, Polar were to redeem their Units for bullion, the physical redemption feature could be rendered ineffective, negating any ongoing potential impact it could have on the trading value of the Units. Given the historical illiquidity and trading volume of the Units, the Trustees believe that it is unlikely that a large or institutional investor would be willing to accumulate a large enough position in the Trust for the purpose of utilizing the physical redemption feature as Polar suggests. **Therefore, following Polar's expected exit, many U.S. Unitholders would be left to deal with the significant negative tax consequences resulting from Polar's redemption and ALL Unitholders would be adversely affected by the higher ongoing costs associated with the adoption of the Polar Proposal, without having realized any long-term benefit.**

Moreover, physical bullion redemption may not be available to Unitholders who hold their Units in Canadian registered plans, such as registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans or tax-free savings accounts, since physical bullion acquired from the Trust may not be a qualified investment for such plans. Physical bullion may be a qualified investment for U.S. tax-qualified retirement plans or individual retirement accounts ("IRAs") if the bullion: (i) is in the physical possession of a qualified trustee for the plan or IRA, and (ii) satisfies certain standards so as not to be deemed a "collectible" under U.S. federal tax law. U.S. Unitholders (as defined in the accompanying Circular) should consult their own tax advisors regarding these requirements.

3. The Trust simply cannot afford the costs associated with Polar's self-serving proposal

The Trust is a small bullion investment entity, with a current market capitalization of approximately C\$59 million, and limited cash resources which must be used to fund all of the Trust's ongoing expenses. **The Polar Proposal would result in significantly higher ongoing expenses that the Trust simply cannot afford, and which would have a material negative impact on the Trust's marketability and erode its size and NAV over time.** In addition, the Polar Requisition and related activities with respect to the Meeting have imposed significant one-time costs which continue to erode the Trust's NAV to the detriment of all Unitholders.

Despite its small market capitalization relative to its peers and industry-leading bullion safeguards and security, the Administrator and the Board of Trustees have consistently maintained the Trust's expense ratio among the lowest of all comparable Canadian and U.S. silver bullion investment products. **The Trust's total expense ratio** for the twelve months ended December 31, 2014 was 0.49% of NAV, comparable to that of the Royal Canadian Silver Reserves ("**Mint Silver**"), which does not have the same reporting requirements or expenses as the Trust, and **36% lower than that of Sprott Physical Silver Trust ("Sprott Silver"), despite Sprott Silver being over fifteen times larger than the Trust.**

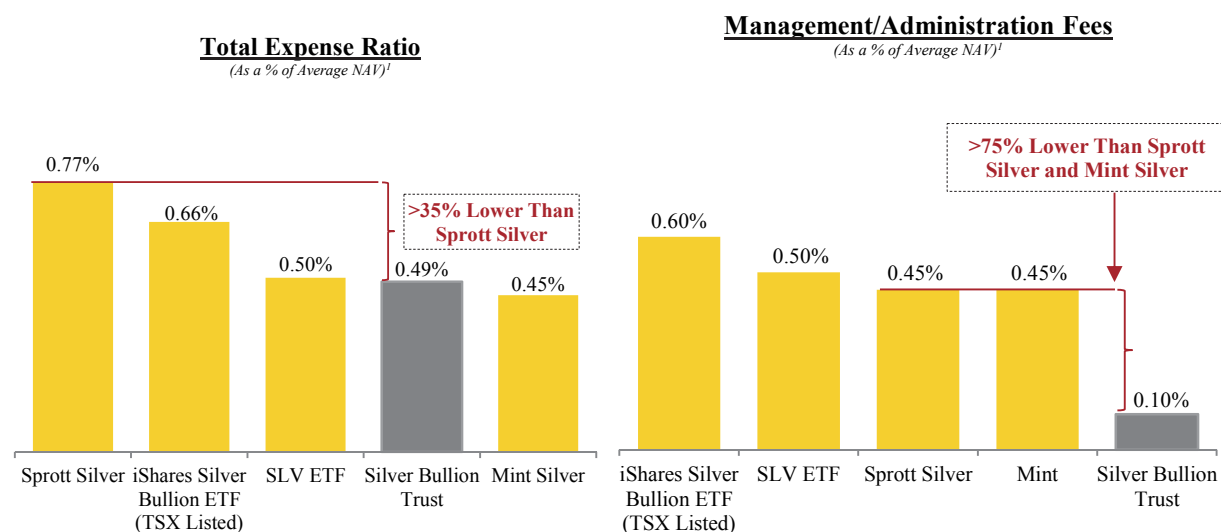
The Trust's low expense ratio has been maintained in large part due to both the Independent Trustees and the Administrator voluntarily waiving the majority of the fees that they have been entitled to over the past six years, including waiving 75% of their total stated fees in 2014. The Trustees and Administrator have agreed to waive their fees in order to serve all Unitholders by maintaining the Trust's competitiveness relative to alternative bullion investment entities. Without these

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fees being waived, the Trust's expense ratio for the twelve months ended December 31, 2014 would have been 0.88% of NAV, almost 80% higher than the Trust's actual realized expense ratio.



¹. Calculated based on expenses incurred over the last twelve months as of December 31, 2014, and "Average NAV" calculated as the average end-of-month net asset values over the same period. Source: Corporate filings.

The adoption of the Polar Proposal would necessitate establishing an "open working vault" arrangement, in order to facilitate redemptions, which would significantly increase safekeeping costs due to the requirement for additional personnel being provided regular access to the underground closed vault in which the Trust currently stores its bullion. Furthermore, if the Polar Proposal were adopted, the Trust would require more active administration, increased transfer agent activity, increased audit and legal costs, and additional periodic regulatory filings, all of which will contribute to higher ongoing expenses for all non-redeeming Unitholders.

The redemption by Polar of its Units, which the Trust understands represent 10% of the outstanding Units, for physical bullion would also increase expenses for remaining Unitholders through the resultant reduction in the Trust's net assets, as certain expenses of the Trust are relatively fixed.

Based on estimates prepared by its financial advisors and based on discussions with its current service providers, and **assuming the current Trustees and the Administrator are retained**, the Board of Trustees is advised that **the adoption of the Polar Proposal could increase the Trust's ongoing expense ratio by approximately 44% on an annual basis**, before accounting for the impact on expenses of a lower asset base as a result of Polar redeeming its Units.

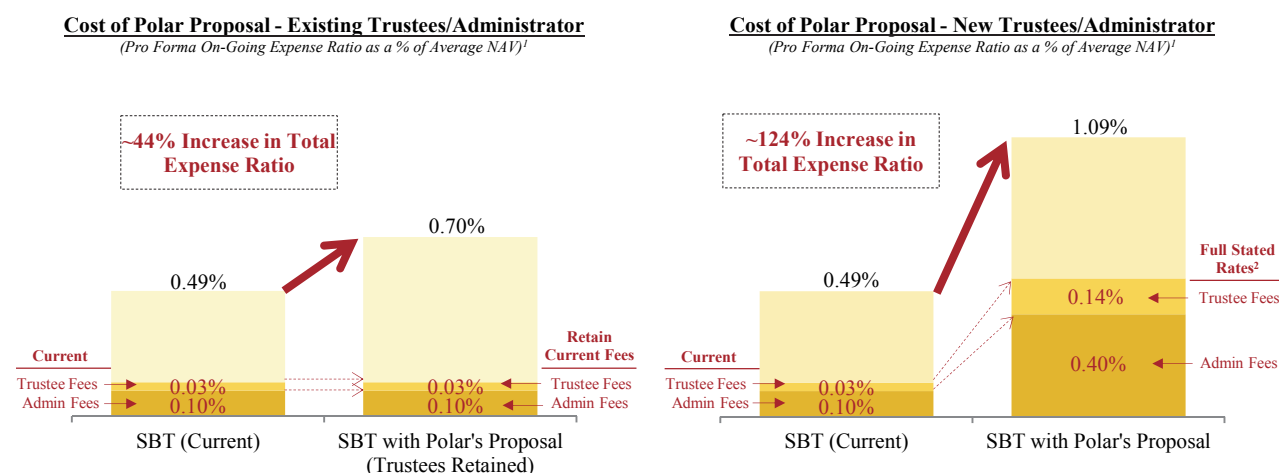
Additionally, based on Polar's continued public criticism of the Trust's current Administrator, it is expected that should Polar's dissident nominees be elected to the Board, Polar may seek to replace the Administrator that founded the Trust. The Trust's current administrative team are North America's most experienced administrators of publicly-traded bullion entities and the Administrator has and currently is waiving 75% of the fees to which it is entitled. The Board fails to see how the replacement of the Administrator by Polar would benefit ALL Unitholders.

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In the event that the current Trustees and Administrator were replaced, the Board of Trustees is advised that the Trust's ongoing annual expenses could increase by approximately 124% from current levels. Any such increase in ongoing expenses would further erode the Trust's NAV over time, and decrease leverage to silver prices for the Trust's long-term Unitholders.



¹. Calculated based on expenses incurred over the last twelve months as of December 31, 2014, and "Average NAV" calculated as the average end-of-month net asset values over the same period.
². "Full Stated Rates" shown are based on the agreed upon fee structure for administration and trustees fees. The Administrator and the Trustees currently waive 75% of the "Full Stated Rates". Administration fees are based on a sliding scale, which reduces fees as the Trust grows: 0.40% per annum for the first US\$100 mm of NAV, 0.30% on the subsequent US\$100 mm of NAV, and 0.20% on NAV in excess of US\$200 mm.

Polar's public proxy contest has also imposed significant unforeseen one-time costs on the Trust that will be borne by Unitholders and are expected to reduce the Trust's NAV. Expenses incurred to date to evaluate and address the Polar Requisition have been considerable and will have a temporary negative effect on the Trust's expense ratio.

Finally, the Trustees anticipate that, if Polar is successful, Polar is likely to seek reimbursement from the Trust of its expenses associated with the Meeting and the Polar Proposal. The Trustees believe such expenses could be considerable, including but not limited to, Polar's legal fees, proxy solicitation and communications agents' fees and the costs of printing and mailing their meeting materials. The reimbursement of such costs by the Trust would further reduce the Trust's NAV to the detriment of all remaining Unitholders.

Polar's self-serving proposal has already damaged the Trust enough, and, if adopted, could increase costs to unsustainable levels relative to other bullion entities, the consequences of which would negatively impact ALL Unitholders other than Polar.

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4. The Polar Proposal will give rise to negative tax consequences for certain non-redeeming Unitholders

Redemptions would result in tax liability for certain non-redeeming U.S. Unitholders

Polar claims that any tax consequences relating to its redemption proposal would be inconsequential relative to its view of the perceived benefits. However, all advice received by the Trustees from the Trust's tax advisors sharply contradicts Polar's assertions. Implementing the Polar Proposal could have both short-term and longer-term negative tax consequences for the Trust's Unitholders. In particular, certain U.S. Unitholders could receive a tax bill as a result of Polar's redemption and exit of its investment in the Trust.

The Trust's tax advisors are of the view that any redemption by a Unitholder that requires the sale of physical bullion by the Trust will result in a taxable event for certain U.S. Unitholders due to the deemed disposition (sale) by the Trust as it exchanges physical bullion for Units redeemed and/or when it is required to sell its silver bullion to satisfy a cash redemption. This deemed disposition by the Trust gives rise to a taxable gain or loss on the physical bullion dependent on the amount of realized proceeds (in Canadian dollars) from the sale of silver bullion and adjusted Canadian dollar tax base which the Trust has recorded for its silver bullion.

Given that the cost base of the silver bullion held by the Trust is approximately C\$16.78 per ounce and the market price of silver bullion on April 23, 2015 was approximately C\$19.27 per ounce, the Trust currently has an embedded taxable gain of approximately C\$2.49 (US\$2.05 based on the noon rate of exchange published by the Bank of Canada on April 23, 2015) per ounce on its silver bullion holdings. **This gain would increase on a dollar-for-dollar basis if the silver price were to increase over time, as many of the Unitholders expect that it will.**

As a result, **a redemption by Polar of all of its current holdings of Trust Units, which the Trustees understand to be approximately 10% of the outstanding Units of the Trust, would result in a taxable gain to the Trust of approximately C\$800,000, or 1.3% of the Trust's current net assets.** For U.S. tax purposes, such gain realized by the Trust would generally flow through, on a *pro rata* basis, to all U.S. Unitholders (including U.S. mutual funds that hold Units) who have made a QEF Election (as defined in the accompanying Circular). Thus, at the current silver price, **a non-redeeming U.S. Unitholder that holds 5,000 Units of the Trust and who has previously made a QEF Election would generally recognize a taxable gain of approximately US\$370 (C\$450 based on the noon rate of exchange published by the Bank of Canada on April 23, 2015) without having done anything.**

The table below is provided for informational purposes only to illustrate the potential tax liability owed by a non-redeeming Electing Unitholder (as defined in the accompanying Circular) who is an individual subject to taxation in New York City as a result of a redemption of 10% of the outstanding Units of the Trust by Polar, or other eligible redeeming Unitholders. Certain facts and assumptions relied on in making these calculations are summarized in the footnote to the following table. This table is not intended to be, and should not be interpreted as, a conclusive determination of the U.S. income tax consequences of a redemption to an Electing Unitholder. Electing Unitholders should consult their own tax advisors regarding the U.S. federal income tax consequences of a redemption of Units.

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U.S. Tax Payable by a Non-Redeeming Unitholder who has made a QEF Election Assuming Redemption of Polar's Position (10% of the Units) (All amounts, unless otherwise provided, are reflected in US\$)¹

Units Held	Silver Price (US\$ per ounce)				
	\$16.00	\$19.00	\$22.00	\$25.00	\$28.00
5,000	\$160	\$409	\$589	\$727	\$835
10,000	\$320	\$817	\$1,179	\$1,454	\$1,670
15,000	\$480	\$1,226	\$1,768	\$2,180	\$2,504
20,000	\$640	\$1,634	\$2,358	\$2,907	\$3,339

¹ The foregoing calculation is based on the following facts and assumptions: (i) the Trust has an average cost base in the silver bullion it holds equal to C\$16.78 per ounce; (ii) the Trust has 5,467,228 Units outstanding; (iii) a total NAV of US\$50.5 million (C\$61.3 million); (iv) a currency exchange rate of US\$1/C\$1.2147; (v) the assumed deductibility of administration expenses, based on the Trust's expense ratio of 0.49% of NAV for the twelve months ended December 31, 2014, of C\$0.05 per Unit; and (vi) an assumed effective tax rate of 39.4% (the blended rate equivalent to the sum of the 28% collectibles rate, the 3.8% Medicare surcharge rate, the 8.82% New York State rate and the 3.876% New York City rate, all as applicable to individuals, assuming that such New York taxes are deductible for U.S. federal income tax purposes at a rate of 39.8%). State and local taxes payable by Electing Unitholders who are individuals subject to taxation in jurisdictions other than New York City, or Electing Unitholders who are trusts or estates, will vary from these amounts.

A physical bullion redemption option increases the risk, by virtue of periodic redemptions, that capital gains tax treatment for Unitholders could be called into question by U.S. tax authorities

Should the Polar Proposal be approved and adopted, there is a risk that the Internal Revenue Service ("IRS") could take the position for U.S. federal income tax purposes that gains recognized on the disposition of Units by Electing Unitholders who are individuals, estates and trusts be subject to the 28% "collectibles" rate rather than the 20% long-term capital gains rate, based on certain substance over form or other theories that might support re-characterization of the Units or the Trust. There is no clear authority on this issue and U.S. Unitholders (as defined in the accompanying Circular) should consult their own tax advisors regarding this risk.

Further Information on Tax Considerations

For further details, see "Certain Canadian Tax Considerations" and "Certain United States Tax Considerations" in the accompanying Circular. See also under the heading "Canadian Federal Income Tax Considerations" and "United States Federal Income Tax Considerations" in the Trust's Annual Information Form for the year ended December 31, 2014, dated February 10, 2015 (the "**Annual Information Form**"), a copy of which is available on SEDAR at www.sedar.com under the Trust's profile.

5. Adopting Polar's proposed physical bullion redemption option could degrade the Trust's industry-leading bullion safeguards

The Trust's silver bullion is currently held on an unencumbered, fully allocated and physically segregated basis in a Level 3 (the highest security rating possible) Canadian chartered bank vault. The segregated area within this vault is closed and the caging within it houses the Trust's bullion, which is sealed with the exception of when bullion inspections take place in the presence of the Trust's independent external

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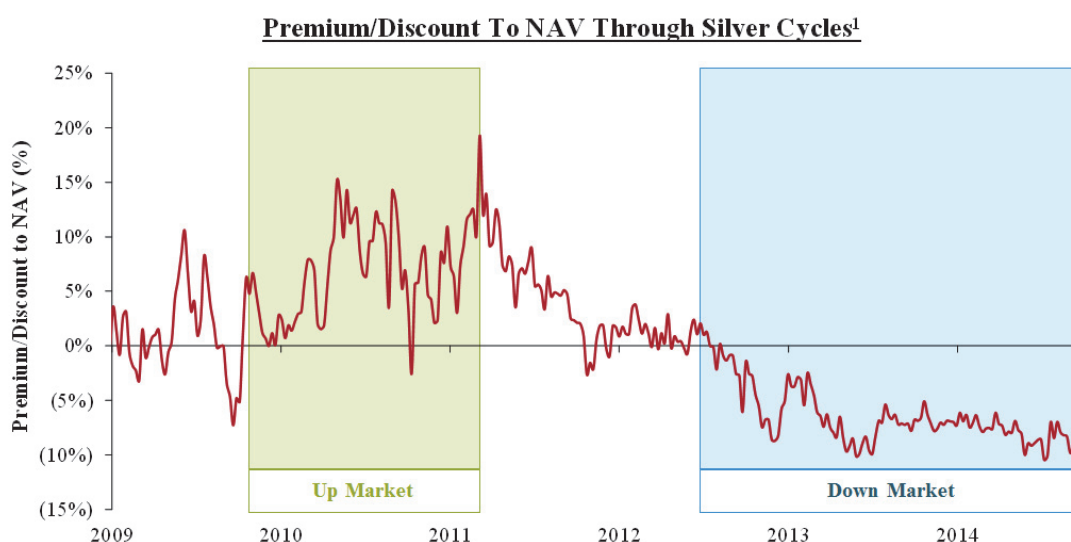
auditor. **The Trustees believe that a key reason why many of the Trust's Unitholders purchased and continue to hold Trust Units is because of the high level of security that is maintained by the Trust.**

As described above, the adoption of the Polar Proposal would necessitate moving to an "open working vault" arrangement, which would reduce the current level of safeguards and security of the Trust's bullion holdings, as the processing of redemptions, as well as heightened audit requirements associated with such redemptions, would result in greater and more frequent access to, and handling of, the Trust's silver bullion. In that event, the Trust's stringent internal controls and safekeeping agreement would need to be significantly altered.

6. The Trust Units have historically traded at a premium to NAV during rising silver markets and are well positioned to benefit from a recovery in silver prices

The Trustees believe that the Trust's Unitholders are primarily investors who seek exposure to long-term appreciation in the price of silver, and choose the Trust from among its competitors for its proven experience, industry-leading bullion security, and low cost structure, which provides maximum leverage to rising bullion prices.

The Trust's Units have historically traded at substantial premiums to NAV in strong silver markets and only at discounts to NAV in weak silver markets. For instance, during the last bull market for silver, from August 2010 to September 2011, the Trust Units returned over 130% to Unitholders and traded at an average premium to NAV of 7.4%.



¹ Premiums/discounts to NAV shown are historical weekly averages since the Trust's inception on July 28, 2009 to current, as of April 23, 2015. Source: Bloomberg Financial Markets.

However, as a result of the current prolonged bear market for silver, the Trust Units have traded at a greater discount to NAV than has been previously observed. Similarly, silver equities have fallen by approximately 55% over the past three years and over 30% over the past two years. In spite of this, the

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Trustees remain confident that the Trust remains best positioned to benefit from a future recovery in silver prices given its tax-efficient, low cost structure and industry-leading bullion security.

Your Trustees believe that current economic conditions, which include ultra-low interest rates, unprecedented money-printing and debt creation by the major industrial economies and accelerating devaluation turbulence among global currencies are supportive factors for higher silver prices over time.

Silver prices are driven by similar market factors as gold prices and typically trend in similar directions. As such, another positive indicator for higher future silver prices is the ratio of the gold and silver prices, which is currently well above historical averages. Precious metals investors often look to this ratio to detect relative over or underpricing of one metal relative to the other. Applying the ten year average gold-to-silver ratio to the current gold price would imply a silver price of US\$20.44 per ounce, approximately 30% above the current spot price of silver.



¹ "Gold-to-Silver Price Ratio" calculated by dividing the US\$ price per ounce for gold by the US\$ price per ounce for silver. Market data as of April 23, 2015.

Source: Bloomberg Financial Markets.

Given this positive outlook for the silver price and its historical impact on the trading value of Units, the Trustees do not believe that this is the time to be making costly, long-term structural changes that the Trust cannot afford in an attempt to counteract a shorter-term market issue. A strengthening silver price and the resultant increased demand for Units will do more to correct the current NAV discount than a costly structural change which only one self-interested offshore hedge fund investor is likely to utilize.

7. Polar's handpicked Trustee nominees are inexperienced and have no plan for the Trust

Polar seeks to put three of its handpicked nominees on the Board of Trustees, which would give Polar control over the future direction of the Trust. The lack of experience of Polar and its nominees in stewarding a long-term, publicly-traded bullion entity, combined with Polar's short-term investment philosophy, make Polar's nominees inappropriate to govern a passive bullion entity like the Trust. If Polar is successful, we expect that these new inexperienced Trustees will burden the Trust with market-based

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Trustee fees that the Trust cannot afford and which will also further increase the current expense ratio to Unitholders.

The Trustees believe that should Polar be successful, it will promptly redeem its Units for physical bullion and exit its position in the Trust at a significant profit, leaving all other Unitholders with a bill for Polar's proxy solicitation expenses, significantly higher ongoing expenses, a smaller, less liquid investment, and Polar's inexperienced Trustee nominees running the Trust. In addition, the Polar Proposal would give rise to negative tax consequences for certain non-redeeming U.S. Unitholders if Polar or other large Unitholders were to elect to redeem their Units for physical bullion.

See "**Reasons for Rejecting the Polar Nominees**".

8. Your Independent Trustees and Administrator have industry-leading experience in soundly stewarding bullion investments and have been waiving fees to keep your expense ratio low

The Trust's administrative team and certain of the Trustees have been stewarding and administering silver bullion investments for over 30 years. The Administrator's staff and its consultants have almost 200 years of collective experience administering publicly-traded precious metals entities. **The Board of Trustees has in excess of 25 years' collective experience in proven stewardship of your Trust.** Since inception, the Trust has consistently had a strong, independent Board of Trustees with sound corporate governance practices.

As an indication of the Trustees' commitment to the Trust and its Unitholders, your Trustees and your Administrator have been waiving the majority of the fees they have been entitled to since the inception of the Trust in order to serve all of the Trust's Unitholders and to keep the Trust's expense ratio competitive and among the lowest in the industry.

See "Particulars of Matters to be Voted Upon at the Meeting – Election of Trustees" in the accompanying Circular.

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REASONS FOR REJECTING THE POLAR NOMINEES

In the Polar Requisition, Polar proposes that Unitholders remove all of the Trust's current Independent Trustees and replace these individuals with Polar's handpicked slate of Trustees. Specifically, Polar proposes that Messrs. Robert Ledohey, Q.C., Stephen T. Moore and Andrew J. Papierz replace Messrs. Bruce D. Heagle, Ian M.T. McAvity, Michael A. Parente and Jason A. Schwandt on the Board.

Based upon information provided by Polar and other publicly available information regarding Polar's nominees, it is clear that **Polar's proposed replacement Trustees have no relevant experience** in soundly stewarding a publicly-traded passive bullion entity such as the Trust. Also, **none of these individuals has any stated experience in the precious metals sector.**

Further, if Polar is successful in causing the Trust to implement the proposed physical bullion redemption option, the Board of Trustees expects Polar to promptly redeem its Units and exit its position in the Trust. The Board of Trustees is deeply concerned that **Polar's proposed replacement Trustees would be put in place solely to facilitate this short-term trade by Polar with little regard for the long-term interests of the Trust and its long-term Unitholders.**

In addition, the Trustees expect that Polar's replacement Trustees will demand compensation from the Trust that is much closer to market norms and far in excess of the modest compensation currently being paid to your current Independent Trustees. Your current Independent Trustees have accepted relatively nominal fees for their services as Trustees to date, and are currently receiving just 25% of the amounts to which they are otherwise entitled. For 2014, each of the current Independent Trustees of the Trust received an average of US\$5,000 in total fees for all Committee and quarterly Board meetings they attended. Any increase in the compensation to the Independent Trustees would decrease the Trust's resources at a time when the Trust simply cannot afford it, further jeopardizing the Trust's low-cost structure and reducing leverage to bullion prices.

The Trust already has a strong, independent and experienced Board of Trustees, which continues to act in the best interest of the Trust and ALL of its Unitholders. Replacing the current Independent Trustees with a group of ill-suited nominees handpicked by Polar, whose stated purpose is to exit their investment in the Trust, is wholly inconsistent with the founding principles of the Trust. Moreover, it threatens the sound governance the Trust has enjoyed since its inception, will add to its costs, and is not in the best interests of the Trust or ALL of its Unitholders.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS:

- **REJECT THE POLAR DISSIDENT NOMINEES BY VOTING AGAINST THE DISSIDENT BOARD RESOLUTIONS; and**
- **DISREGARD ANY PROXY MATERIALS RECEIVED FROM POLAR AND DO NOT VOTE FOR ANY NOMINEES OF POLAR**

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QUESTIONS AND ANSWERS

When and where will the Meeting take place?

The Annual and Special Meeting (the "**Meeting**") of the holders of units ("**Units**") of Silver Bullion Trust (the "**Trust**") will be held at 11:00 a.m. (Toronto time) on Wednesday, May 20, 2015, at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario M5X 1A4.

What am I being asked to vote on?

The Meeting is being held:

- 1) To receive the financial statements of the Trust for the fiscal year ended December 31, 2014 together with the report of the external auditor thereon;
- 2) To re-appoint Ernst & Young LLP as external auditor to the Trust and to authorize the Board of Trustees (as defined below) to fix their remuneration;
- 3) To re-elect Bruce D. Heagle, Ian M. T. McAvity, Michael A. Parente, Jason A. Schwandt and J.C. Stefan Spicer as Trustees (each being, with the exception of J.C. Stefan Spicer, an "**Independent Trustee**" and collectively being referred to as the "**Independent Trustees**");
- 4) To consider and, if thought fit, to pass the Advance Notice Resolution (as defined in the accompanying Management Information Circular of the Trust (the "**Circular**")) ratifying and confirming the Advance Notice Rule (as defined in the accompanying Circular) adopted by the Trust on April 22, 2015;
- 5) To consider and, if thought fit, to pass the Dissident Board Resolutions (as defined in the accompanying Circular);
- 6) To consider and, if thought fit, to pass the Dissident Redemption Resolution (as defined in the accompanying Circular); and
- 7) To transact such other related business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

What does the Board recommend?

The Trust's Board of Trustees (the "**Board of Trustees**", "**Board**" or "**Trustees**") unanimously recommends that Unitholders use **ONLY** the enclosed **WHITE** proxy form to vote:



FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as Auditor;



FOR the election of each of the five persons nominated by the Trust and named herein as Trustees;



FOR the ratification of the Advance Notice Rule;



AGAINST the Dissident Board Resolutions; and



AGAINST the Dissident Redemption Resolution

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Which proxy should I vote?

The Trust recommends that Unitholders vote using only the enclosed **WHITE** proxy form and disregard any proxy forms or materials provided by Polar Securities Inc. ("**Polar**") or its representatives.

What is Polar, and what is it proposing?

Polar is a fund manager that manages the Trust Units held by the North Pole Capital Master Fund, an offshore, short-term biased hedge fund based in the Cayman Islands. As of the date of the accompanying Circular, the Trust understands that Polar manages approximately 10.02% of the issued and outstanding Units of the Trust on behalf of North Pole Capital Master Fund. Polar is seeking to significantly alter the existing redemption provisions of the Trust's Amended and Restated Declaration of Trust dated July 9 2009, to include a new physical bullion redemption option, and to modify its existing cash redemption feature. Polar is also proposing that all of your current Independent Trustees be replaced by nominees handpicked by Polar.

Can I trust what Polar has to say?

No. The Board is of the view that the proposal put forward by Polar (the "Polar Proposal"), described in the accompanying Circular, is self-serving and designed to facilitate Polar's exit of a relatively illiquid investment at the expense of ALL other Unitholders.

More specifically:

- The Polar Proposal runs contrary to the basic investment fundamentals and principles for which the Trust was established;
- Only approximately 1% of current Unitholders, including Polar, would have Unit holdings large enough to utilize Polar's proposed physical redemption feature;
- The Polar Proposal will give rise to negative tax consequences for certain U.S. non-redeeming Unitholders;
- The Polar Proposal would result in significantly higher expenses that the Trust cannot afford, and which would have a material negative impact on the Trust's marketability;
- Adopting the Polar Proposal's physical bullion redemption option may degrade the Trust's industry-leading bullion safeguards;
- The Trust Units have historically traded at meaningful premiums to NAV during rising silver markets and the Trust is well positioned to benefit from a recovery in silver prices due to the Trust's current low-cost structure; and
- Polar's proposed nominees have no experience in stewarding a publicly-traded passive bullion entity and are not likely to serve the longer-term interests of Unitholders as a whole as capably as the Trust's current Independent Trustees.

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See "Reasons for Rejecting the Polar Proposals" and "Reasons for Rejecting the Polar Nominees" for further details.

Have the Trust's Trustees or its Administrator ever been subject to Unitholder activism?

No. Neither Silver Administrators Ltd. (the "**Administrator**"), nor any of the Trustees, have experienced any dissident Unitholder resolutions since the inception of the Trust in 2009.

How can Unitholders stop Polar?

Unitholders have the power to protect their investment in the Trust by **REJECTING** the Polar Proposal by voting **AGAINST** the Dissident Board Resolutions and **AGAINST** the Dissident Redemption Resolution (each as defined in the accompanying Circular) and **DISREGARDING** any proxy materials received from Polar. The Board of Trustees unanimously recommends that Unitholders vote in favour of the nominees of the Trust described under the heading "Particulars of Matters to be Voted Upon at the Meeting – Election of Trustees" in the accompanying Circular.

Who is eligible to vote at the Meeting?

Unitholders as of close of business on Monday, March 23, 2015 are eligible to vote at the Meeting.

When is the proxy cut off?

In order for your vote to be counted at the Meeting, your completed enclosed **WHITE** proxy form must be received not later than 11:00 a.m. (Toronto time) on Friday, May 15, 2015 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays), prior to the time of the adjournment or postponement. The time limit for deposit of proxies may be waived by the Chair of the Meeting at his discretion without notice. If you require assistance voting your proxy, please contact D.F. King & Co., Inc. ("**D.F. King**") toll free at 1-800-398-2816 or by email at inquiries@dfking.com.

What if I can't attend the Meeting in person?

If you cannot attend the Meeting in person please ensure that the enclosed **WHITE** proxy form is properly completed and received by the Trust's transfer agent, CST Trust Company ("**CST**"), by 11:00 a.m. (Toronto time) on Friday, May 15, 2015 or no later than 11:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and statutory holidays) that is 48 hours preceding the date of an adjourned or postponed Meeting to ensure that as many Unitholders are represented and as many eligible votes as possible are counted at the Meeting. The enclosed **WHITE** proxy form includes instructions as to how you may vote by mail or fax. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

Who is soliciting my proxy?

The Trustees and senior executive officers of the Trust are soliciting the **WHITE** proxy for use at the Meeting. In connection with this solicitation, the Trustees and senior executive officers of the Trust

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have provided the accompanying Circular.

How will the solicitation be made?

The solicitation will be made primarily by mail. In addition to the solicitation of proxies by mail, officers and Trustees of the Trust may solicit proxies personally by telephone or other electronic means but will not receive additional compensation for doing so. The Trust has also retained D.F. King to provide the following services in connection with the Meeting: strategy regarding Unitholder solicitation, market surveillance, communicating with proxy advisory firms, coordination of mailing and tabulation of Unitholder proxies in connection with the Meeting and related matters. The Trust may also reimburse brokers or other persons holding Units in their name or in the name of the Intermediaries (as defined below) for costs incurred in sending proxy materials to their principals or beneficial holders in order to obtain their proxies or voting instructions.

Unitholders who have any questions or require assistance voting your proxy, please contact D.F. King toll free at 1-800-398-2816 or by email at inquiries@dfking.com.

What documents have been sent to Unitholders?

In addition to the Notice of Annual and Special Meeting and the Circular, the Trust has sent Unitholders a **WHITE** proxy form or voting instruction form ("VIF"). Copies of these documents (other than the VIF) are available under the Trust's profile at www.sedar.com and on the Trust's website at www.silverbulliontrust.com.

How do I submit my completed WHITE proxy form?

In order to be valid and acted upon at the Meeting, your completed **WHITE** proxy form must be received no later than 11:00 a.m. (Toronto time) on Friday, May 15, 2015 or no later than 11:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and statutory holidays) that is 48 hours preceding the date of an adjourned or postponed Meeting. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

How many Units are eligible to vote?

The number of Units outstanding at the close of business on March 23, 2015 (the "**Record Date**") (as set forth in the accompanying Notice of Annual and Special Meeting) will be equal to the number of eligible votes. On the Record Date, the Trust had 5,467,228 Units outstanding.

What is the quorum for the Meeting?

A quorum for the transaction of business at the Meeting will consist of one person present in person, being a Unitholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Unitholder so entitled, holding or representing in the aggregate not less than 10% of the Units holding voting rights at the Meeting.

Are there any Unitholders who hold more than 10% of the Units?

To the knowledge of the Board or the officers of the Trust, Polar, on behalf of the North Pole Capital

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Master Fund is the only person or company that beneficially owns, directly or indirectly, or exercises control or direction over Units carrying over ten per cent (10%) of the voting rights attached to all Units of the Trust.

Who will count the votes?

Votes will be tabulated by CST, the Trust's transfer agent.

How do I vote?

If you held Units at the close of business on Monday, March 23, 2015, you are eligible to vote your Units in respect of the matters to be acted on (as noted in the accompanying Notice of Annual and Special Meeting) at the Meeting.

Each Unit is entitled to one vote.

If your Units are held in the name of a bank, intermediary or broker (an "**Intermediary**"), please see the instructions under the heading "Voting Instructions - Voting by Proxy - Beneficial Owners" in the accompanying Circular.

How do I determine what type of Unitholder I am?

There are several steps you must take in order to vote your Units at the Meeting. For the purpose of voting at the Meeting, you must first determine what type of Unitholder you are: a registered Unitholder or a beneficial (non-registered) Unitholder.

Registered Unitholder. You are a "**Registered Unitholder**" if your Units are held in your personal name and you are in possession of a Unit certificate that indicates the same.

Beneficial (Non-registered) Unitholder. A majority of Unitholders are non-registered. You are a "**Beneficial (Non-registered) Unitholder**" if your Units are:

- deposited with a bank, a trust, a brokerage firm or other type of institution, and such Units have been transferred out of your name; or
- held either (a) in the name of the Intermediary that the Unitholder deals with (being securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), or (b) in the name of a clearing agency (such as CDS & Co. Inc.) with which your Intermediary deals.

Follow the steps in the appropriate category below once you have determined your Unitholder type.

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How can a Beneficial (Non-Registered) Unitholder vote?

If you are a Beneficial (Non-registered) Unitholder, you may vote in person, by proxy or online only by following the procedures outlined below.

To Vote by Proxy:

Generally, you will either:

- (a) be given a proxy supplied to you by your Intermediary that is similar to the **WHITE** proxy form provided to Registered Unitholders. However, its purpose is limited to instructing your Intermediary on how to vote on your behalf. You should carefully follow the instructions provided to you by your Intermediary for voting your Units; or
- (b) be given a VIF. Intermediaries now frequently delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Financial Solutions Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Trust. The VIF will name the same persons as the Trust's **WHITE** proxy form to represent you at the Meeting. You have the right to appoint a person (who need not be a Unitholder), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile, or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. If you receive a VIF from Broadridge, you cannot use it to vote Units directly at the meeting — the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Units voted.

Canadian Beneficial Unitholders

To Vote Online: visit www.proxyvote.com and enter your 16-digit control number.

United States Beneficial Unitholders

To Vote Online: visit www.proxyvote.com and enter your 16-digit control number.

To Vote in Person:

If you are able to join us in person for the Meeting and wish to vote your Units in person, you may do so by either (i) inserting your own name in the space provided on the enclosed VIF or form of proxy provided by your Intermediary; or (ii) submitting any other document in writing to your Intermediary that requests that the Beneficial (Non-registered) Unitholder or nominees thereof should be appointed as proxy. Then, follow the signing and return instructions provided by your Intermediary. If you do not properly follow the return instructions provided by your Intermediary, you may not be able to vote such Units. Before the official start of the Meeting on May 20, 2015, please register with the representatives(s) from CST, which will be acting as scrutineer at the Meeting, and who will be situated at a welcome table just outside the Meeting room. Once you are registered with CST, and, provided the instructions you

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provided to your Intermediary have been forwarded by your Intermediary to CST, your vote will be requested and counted at the Meeting.

Unitholders who have any questions or require assistance voting your **WHITE** proxy, please contact D.F. King toll free at 1-800-398-2816 or by email at inquiries@dfking.com.

How can a Registered Unitholder Vote?

If you are a Registered Unitholder, you may vote in person, by proxy or by fax. Please see the enclosed **WHITE** proxy for details on protocol.

To Vote by Proxy

Proxies must be received no later than 11:00 a.m. (Toronto time) on May 15, 2015, or, if the Meeting is adjourned or postponed, no later than 11:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and statutory holidays) that is 48 hours preceding the date of the adjourned or postponed Meeting. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the enclosed **WHITE** proxy has been properly completed and executed.

To Vote in Person

If you are able to join us in person for the Meeting, and wish to vote your Units in person, you are still encouraged to complete and return the enclosed **WHITE** proxy in accordance with the instructions above.

Before the official start of the Meeting on May 20, 2015, please register with the representatives(s) from CST, which will be acting as scrutineer at the Meeting, who will be situated at a welcome table just outside the room in which the Meeting will be held. Once you are registered with the scrutineer, your proxy will be revoked and your vote will be requested and counted at the Meeting.

Unitholders who have any questions or require assistance voting your **WHITE** proxy, please contact D.F. King toll free at 1-800-398-2816 or by email at inquiries@dfking.com.

How do I appoint someone else to vote for me?

If you are unable to attend the Meeting in person, or if you wish to appoint a representative to vote on your behalf, you have the right to appoint a person or company other than the person designated in the enclosed **WHITE** proxy, who may or may not be a Unitholder, to represent you at the Meeting and vote on your behalf. You do this by appointing them as your proxyholder as described below.

Use the **WHITE** proxy or another proper form of proxy. The persons named in the accompanying **WHITE** proxy form are Trustees of the Trust and are nominees of the Trust. You can choose to have the Trust's appointee vote your Units or you may appoint a person of your choice by striking out the printed names and inserting the desired person's name and address in the blank space provided. You must then complete the balance of the **WHITE** proxy form, sign it and return it to CST in the manner specified in the enclosed **WHITE** proxy form. Please note that your vote can only be counted if the

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person you appointed attends the Meeting and votes on your behalf and the enclosed **WHITE** proxy form has been properly completed and executed.

You may not vote both by proxy and in person. If you have voted by proxy, you will not be able to vote your Units in person at the Meeting, unless you revoke your proxy. Following completion of the enclosed **WHITE** proxy form, return the completed **WHITE** proxy form in the manner and in accordance with requirements specified thereon. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

How will my WHITE proxy form be voted?

If either Bruce D. Heagle or Michael A. Parente, the Trust's nominees as indicated on the **WHITE** proxy, are appointed as your proxyholder, and you do not specify how you wish your Units to be voted, your Units will be voted as follows:

-  **FOR** the re-appointment of Ernst & Young LLP, Chartered Accountants, as Auditor;
-  **FOR** the election of each of the five persons nominated by the Trust and named herein as Trustees;
-  **FOR** the ratification of the Advance Notice Rule;
-  **AGAINST** the Dissident Board Resolutions; and
-  **AGAINST** the Dissident Redemption Resolution

Can I vote both the WHITE Trust proxy and the proxy provided by Polar?

The Trust's **WHITE** proxy form and the proxy form provided by Polar cannot both be voted as the later-dated proxy form automatically replaces a previously recorded vote.

The Trust Unitholders who have voted the Polar proxy form and wish to prevent the offshore hedge fund from taking over their silver have the right to change their vote by simply executing a later-dated WHITE proxy form. A later-dated proxy form automatically replaces a previously recorded vote.

What if I want to revoke my proxy?

If you have submitted a proxy and later wish to revoke it, you may do so by re-voting your proxy by fax or by completing and signing a new proxy form bearing a later date and sending it to CST. Your vote must be received **no later than 11:00 a.m. (Toronto time) on Friday, May 15, 2015** or, if the Meeting is adjourned or postponed, no later than 11:00 a.m. (Toronto time) on the date (excluding Saturdays, Sundays and statutory holidays) that is 48 hours preceding the date of the adjourned or postponed Meeting. A later dated proxy form automatically revokes any previously submitted proxy. You may also send a written statement indicating you wish to have your proxy revoked. This written statement must be received (i) by CST, Attention: Proxy Department, 320 Bay Street, 3rd Floor, Toronto, Ontario, M5H 4A6, at any time up to 5:00 p.m. (Toronto time) on the last business day

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preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used; (ii) with the Chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by law.

If you are a Beneficial (Non-registered) Unitholder, please contact your Intermediary for directions on how to revoke your voting instructions.

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If you have any questions or require any assistance in executing your WHITE proxy, please call D.F. King Canada at:



North American Toll Free Phone:

1-800-398-2816

Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301

Email: inquiries@dfking.com

North American Toll Free Facsimile: 1-888-509-5907

Facsimile: 1-647-351-3176

For up to date information and ease of voting we strongly encourage Unitholders to please visit www.silverbulliontrust.com

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SILVER BULLION TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of the holders of trust units ("**Units**") of Silver Bullion Trust (the "**Trust**") will be held at 11:00 a.m. (Toronto time) on Wednesday, May 20, 2015, at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario M5X 1A4 for the following purposes:

Business of the Meeting

At the Meeting, Unitholders will be asked:

- (1) To receive the financial statements of the Trust for the fiscal year ended December 31, 2014 together with the report of the Auditor (as defined below) thereon;
- (2) To re-appoint Ernst & Young LLP (the "**Auditor**") as external auditor to the Trust and to authorize the Board of Trustees to fix their remuneration;
- (3) To elect five Trustees nominated by the Trust;
- (4) To consider and, if thought fit, to pass an ordinary resolution (the "**Advance Notice Resolution**"), substantially in the form attached to the accompanying Management Information Circular of the Trust dated April 24, 2015 (the "**Circular**") as Appendix "A", ratifying and confirming the rule (the "**Advance Notice Rule**") adopted by the Board of Trustees on April 22, 2015 pursuant to Subsection 9.2(p) of the Amended and Restated Declaration of Trust dated July 9, 2009 and appended to the accompanying Circular of the Trust as Appendix "B";
- (5) To consider and, if thought fit, pass a series of three ordinary resolutions (the "**Dissident Board Resolutions**") proposed by Polar Securities Inc. on behalf of the North Pole Capital Master Fund (together, "**Polar**") as further described in and in substantially the form attached as Appendix "C" to the accompanying Circular;
- (6) To consider and, if thought fit, pass a special resolution (the "**Dissident Redemption Resolution**") proposed by Polar as further described in and in substantially the form attached as Appendix "D" to the accompanying Circular; and
- (7) To transact such other related business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Annual and Special Meeting of Unitholders.

The Board of Trustees has fixed March 23, 2015 as the record date for the Meeting (the "**Record Date**"). Only Unitholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment or postponement thereof.

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Your vote is important regardless of the number of Units you own. Please vote today using only the enclosed **WHITE** proxy form.

Any registered holder of Units who is unable to be present at this Meeting is requested to complete, date, sign and return the enclosed **WHITE** proxy form for delivery no later than 11:00 a.m. (Toronto time) on Friday May 15, 2015, or in the case of an adjournment or postponement, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any reconvened Meeting.

Beneficial (non-registered) Unitholders should follow the instructions on the voting instruction form or other form of proxy provided by their intermediaries with respect to the procedures to be followed for voting. Beneficial (non-registered) Unitholders should refer to the information provided under the heading "How can a Beneficial (Non-registered) Unitholder vote?" in the Question and Answer section accompanying the enclosed Circular for further details.

DATED this 24th day of April, 2015.

**BY ORDER OF THE BOARD OF
TRUSTEES OF SILVER BULLION TRUST**



John S. Elder, Q.C.
Secretary

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MANAGEMENT INFORMATION CIRCULAR

The information contained in this Management Information Circular (together with the accompanying materials, the "**Circular**") is given as of April 24, 2015, except as otherwise noted.

The information contained in this Circular is furnished in connection with the solicitation of proxies on behalf of the senior executive officers and Trustees of Silver Bullion Trust (the "**Trust**") for use at the Annual and Special meeting of holders ("**Unitholders**") of units ("**Units**") of the Trust to be held at 11:00 a.m. (Toronto time) on Wednesday, May 20, 2015, at the Toronto offices of Bennett Jones LLP and at any adjournments or postponement thereof (the "**Meeting**"), which Meeting has been called for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Unitholders.

References to currencies or "\$" herein refer to Canadian dollars unless otherwise specified.

SOLICITATION OF PROXIES

The **WHITE** proxy form accompanying this Circular is solicited on behalf of the Trust. Solicitation of proxies will be by mail but proxies may also be solicited personally or by telephone by senior officers or members of the Board of Trustees (the "**Board of Trustees**", "**Board**" or the "**Trustees**") of the Trust at nominal cost. In addition, the Trust has retained D.F. King & Co., Inc., 320 Bay Street, PO Box 10, Toronto, Ontario M5H 4A6 ("**D.F. King**") to solicit proxies. All reasonable expenses in connection with such solicitations of proxies will be borne by the Trust and the Trust expects the fees payable to D.F. King in respect of the solicitation of proxies to be up to approximately \$125,000.

DELIVERY OF PROXIES

Proxies to be used at the Meeting must be deposited with the Trust or with the Trust's transfer agent CST Trust Company ("**CST**") at 320 Bay Street, Toronto, Ontario M5H 4A6 no later than 11:00 a.m. (Toronto time) on Friday May 15, 2015, or in the case of an adjournment or postponement, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any reconvened Meeting. The time limit for the deposit of proxies may be waived by the Chair of the Meeting at his or her discretion.

If you have questions about the information contained in this Circular or require assistance registering your vote, please contact D.F. King at 1-800-398-2816 (toll free in North America) or 1-201-806-7301 (outside of North America) or email at inquiries@dfking.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**"), including, without limitation, those related to: any anticipated impact on the Trust of the Polar Proposal (as defined below) and/or reconstitution of the Board of Trustees, including any anticipated impact of the Polar Proposal on the Trust's NAV (as defined below), management expense ratio and bullion safeguards; any anticipated impact on Unitholders following the implementation of the Polar Proposal, including any potential tax impact on Unitholders following a physical redemption; any action that may be taken by Polar or its Trustee nominees in the event that Polar were successful in implementing the Polar Proposal and/or reconstituting the Board of the Trustees, including any possible redemption by Polar of its Units, any possible reimbursement by Polar of its expenses incurred in connection with the Meeting, any termination of the Trust's current

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administration arrangements, and any change in the amount of fees to be paid to the Trustees on a going forward basis; any action to be taken by Unitholders who are non-redeeming U.S. mutual funds following any implementation of the Polar Proposal; and any impact of current economic conditions on the future prices of silver and the Trust. The Trust cautions investors about important factors that could cause actual results or outcomes to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this Circular. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that 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 expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this Circular should not be unduly relied upon. These Forward-Looking Statements speak only as of the Trust's beliefs, views, expectations and opinions as of the date of this Circular. Except as required by applicable securities laws, the Trust does not intend and does not assume any obligations to update or revise the Forward-Looking Statements, whether as a result of new information, future events or otherwise. In addition, this Circular may contain Forward-Looking Statements drawn from or attributed to third party sources.

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, the Trust has outstanding 5,467,228 Units without nominal or par value, each carrying the right to one vote per Unit at the Meeting.

To the knowledge of the Trustees and the officers of the Trust, the only person that beneficially owns, directly or indirectly, or exercises control or direction over Units carrying more than ten per cent (10%) of the voting rights attached to all Units of the Trust outstanding is North Pole Capital Master Fund, a Cayman Islands-based hedge fund managed by Polar Securities Inc. Based on publicly-available trading information on SEDI, Polar owns 554,500 Units or 10.14% of the Units outstanding as of the date of this Circular.

BUSINESS OF THE MEETING

The Meeting constitutes the annual meeting of Unitholders of the Trust. In addition, on February 3, 2015, the Board of Trustees received a Unitholder meeting requisition (the "**Polar Requisition**") from Polar Securities Inc. ("**Polar Securities**") on behalf of its Cayman Islands-based North Pole Capital Master Fund (the "**North Pole Fund**" and, collectively with Polar Securities, "**Polar**"). In order to avoid the Trust having to hold a separate meeting of Unitholders and incurring all of the requisite costs and expenses related to holding such a meeting, the Trustees determined that it was more cost effective and in the best interests of Unitholders to table the items of business set forth in the Polar Requisition at the Trust's upcoming annual meeting of Unitholders. Therefore, the Trust's upcoming annual meeting of Unitholders, which is scheduled to be held on May 20, 2015, has been constituted as an annual and special meeting of Unitholders.

The Polar Requisition requires that the Trust submit two matters to Unitholders for consideration: (i) a series of related ordinary resolutions (the "**Dissident Board Resolutions**"), the effect of which would be

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to remove all of the incumbent independent Trustees ("**Independent Trustees**") of the Board and replace them with three hand-picked nominees of Polar; and (ii) a special resolution (the "**Dissident Redemption Resolution**") approving certain significant amendments to the redemption rights provisions of the Amended and Restated Declaration of Trust of the Trust dated July 9, 2009 (the "**Declaration of Trust**") to implement a physical bullion redemption option as well as change the existing cash redemption provision (the "**Polar Proposal**"). The Dissident Board Resolutions and the Dissident Redemption Resolution are described further under "Particulars of Matters to be Voted Upon at the Meeting" in this Circular and the full text thereof is set out in Appendix "C" and Appendix "D", respectively, of this Circular.

Accordingly, the annual and special business to be considered by Unitholders at the Meeting is as follows:

- (1) To receive the financial statements of the Trust for the fiscal year ended December 31, 2014 together with the report of the Auditor (as defined below) thereon;
- (2) To re-appoint Ernst & Young LLP (the "**Auditor**") as external auditor to the Trust and to authorize the Board of Trustees to fix their remuneration;
- (3) To elect five Trustees nominated by the Trust;
- (4) To consider and, if thought fit, to pass an ordinary resolution (the "**Advance Notice Resolution**"), described further under "Particulars of Matters to be Voted Upon at the Meeting – Advance Notice Rule" below and substantially in the form attached as Appendix "A" hereto, ratifying and confirming the rule (the "**Advance Notice Rule**") adopted by the Board of Trustees pursuant to Subsection 9.2(p) of the Amended and Restated Declaration of Trust of the Trust dated July 9, 2009 (the "**Declaration of Trust**") and attached hereto as Appendix "B";
- (5) To consider and, if thought fit, pass a series of three ordinary resolutions proposed by Polar, as further described under "Particulars of Matters to be Voted Upon at the Meeting – Dissident Board Resolutions" below and in substantially the form attached as Appendix "C" hereto;
- (6) To consider and, if thought fit, pass a special resolution proposed by Polar as further described under "Particulars of Matters to be Voted Upon at the Meeting – Dissident Redemption Resolution" and in substantially the form attached as Appendix "D" hereto; and
- (7) To transact such other related business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

CERTAIN CANADIAN TAX CONSIDERATIONS

In the opinion of Dentons Canada LLP, Canadian counsel to the Trust, the adoption of an amended redemption feature for Units of the Trust as contained in the Polar Proposal would not, of itself, change the Canadian income tax status or treatment of the Trust, including the mutual fund trust status of the Trust or the taxation of the Trust. Similarly, the adoption of an amended redemption feature for Units of the Trust as contained in the Polar Proposal would not, of itself, change the Canadian income tax considerations to Unitholders described in the Trust's (final) long form prospectus dated July 9, 2009 (the "**Prospectus**").

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At present, the Trust anticipates that the primary mechanism for Unitholders to dispose of their Units is through the facilities of the recognized stock exchange on which the Units are listed for trading rather than the exercise of the redemption rights attached to the Units, and counsel has been advised by the Trust that, since its inception, no Units have been redeemed and the Trust has not sold or otherwise disposed of any silver bullion. The Trust believes there is a greater likelihood that redemption of Units will occur periodically if the Polar Proposal is adopted, which could require the Trust to sell some of its silver bullion in order to fund such redemptions. In addition, if the Polar Proposal is adopted, the Trust would be required to deliver physical silver bullion to a Unitholder to satisfy any redemption in respect of which the Unitholder elects to receive physical delivery of silver bullion. The Trust will be required to include in its income for the year, any gain realized by it on any sale or disposition of silver bullion, including any silver bullion delivered to a Unitholder upon a redemption of Units if the Polar Proposal were to be adopted. As noted in the Prospectus, the Trust intends to treat gains and losses on the disposition of physical silver bullion as capital gains or capital losses unless there is a change of circumstances. However there is no guarantee that the Canada Revenue Agency ("CRA") will necessarily agree with that position.

The Declaration of Trust provides that the Trustees may allocate and pay to one or more redeeming Unitholders, as part of the redemption price for their Units, any part or all of the trust income or capital gains realized by the Trust in connection with dispositions of any assets owned by the Trust which are required to satisfy the redemption price for such Units. The Trust has advised counsel that it is the current intention of the Trustees to allocate any income or capital gain realized by the Trust in connection with a redemption of Units to the Unitholder or Unitholders whose Units are redeemed. If the Trust were to allocate the taxable capital gain (i.e., one-half of the capital gain) attributable to a redemption of Units to a redeeming Unitholder and the CRA were to subsequently assess or reassess the Trust on the basis that the gains realized by it on the disposition of physical silver bullion are fully taxable as income rather than as capital gains and such assessment or reassessment is upheld, it is unclear to what extent, if any, the Trust would be able to allocate the additional income to the redeeming Unitholder. If the Trust were not able to allocate the additional income to the redeeming Unitholder, the Trust would be required to pay Canadian income tax on such additional income under Part I of the *Income Tax Act* (Canada) (the "**Act**"), thereby reducing the net asset value of Units for all remaining Unitholders. In addition, if any gain realized by the Trust in connection with a redemption of Units is allocated to a non-resident of Canada and the CRA were to assess or reassess the Trust on the basis that the gain is taxable as income rather than as a capital gain, the Trust could be liable to pay Canadian non-resident withholding tax on such allocation under Part XIII of the Act.

It should also be noted that if there is a redemption of Units which results in U.S. tax being payable by U.S. Unitholders, the Trust has stated in its Annual Information Form for the year ended December 31, 2014 (the "**Annual Information Form**") and dated February 10, 2015, a copy of which is available on SEDAR at www.SEDAR.com under the Trust's profile, its intention to distribute to holders of Units, as of the last date of each taxable year, a distribution based on a formula set out in the Annual Information Form. As noted in the Declaration of Trust, such distribution may be in cash and if there is not sufficient cash, such distribution may be made in Units. A Canadian resident Unitholder receiving such distribution (whether in cash or Units) will be required to include the amount of such distribution in income for Canadian income tax purposes. If such distribution is made to a non-resident of Canada, such distribution will generally be subject to Canadian non-resident withholding tax.

It should also be noted that if the redemption feature for Units of the Trust proposed by Polar is adopted and a Unitholder which is a registered retirement savings plan, a registered retirement income fund, a

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deferred profit sharing plan, a registered education savings plan, a registered disability savings plan, or a tax free savings account (each a "**Plan**") all as defined in the Act, redeems Units for physical silver bullion, the physical silver bullion may not be a qualified investment as defined in the Act for the Plan. The Act imposes a penalty tax on a Plan which holds assets which are not qualified investments.

The foregoing considerations are based on the current provisions of the Act, the regulations thereunder, all specific proposals to amend the Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current administrative and assessing policies of the CRA. There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that the CRA will not change its administrative or assessing practices. The foregoing considerations further assume that the Trust will comply with the Declaration of Trust and that the Trust will comply with the certificate issued to counsel regarding certain factual matters. Except for the Tax Proposals, the foregoing considerations do not otherwise take into account or anticipate any change in the law, whether by legislative, governmental or judicial decisions or actions which may adversely affect any income tax considerations described above, and do not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described above.

UNITHOLDERS SHOULD REFER TO THE PROSPECTUS FOR MORE DETAILS RELATING TO THE CANADIAN TAXATION OF THE TRUST AND UNITHOLDERS.

THE CONSIDERATIONS DISCUSSED ABOVE ARE NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL TAX CONSIDERATIONS APPLICABLE TO A UNITHOLDER. MOREOVER, THE INCOME AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF UNITS WILL VARY DEPENDING ON A TAXPAYER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO CONSTITUTE LEGAL OR TAX ADVICE TO ANY UNITHOLDER. UNITHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS ABOUT THE TAX CONSEQUENCES RELATING TO THE POLAR PROPOSAL.

CERTAIN UNITED STATES TAX CONSIDERATIONS

In the opinion of Dorsey & Whitney LLP, U.S. counsel to the Trust, the following discussion summarizes potentially adverse U.S. federal income tax consequences to certain U.S. Unitholders (as defined below) of the amended redemption feature for Units contained in the Polar Proposal. As discussed below, these adverse tax consequences are expected to affect non-redeeming U.S. Unitholders that have made a QEF Election (as defined below). This summary does not discuss all U.S. federal income tax consequences arising from the amended redemption feature for Units of the Trust contained in the Polar Proposal that may be relevant to U.S. Unitholders. In addition, this summary does not address any U.S. federal income tax consequences arising from or relating to any events or occurrences that may happen after approval of the Polar Proposal, should the Polar Proposal be approved. Unitholders should refer to the detailed discussion of U.S. federal income tax considerations of the acquisition, ownership and disposition of the Units set forth in the Trust's Annual Information Form.

The Trust has been, and expects to continue to be, a "passive foreign investment company" ("**PFIC**") as defined under Section 1297(a) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), for U.S. federal income tax purposes. A U.S. Unitholder can generally mitigate certain adverse U.S. federal income tax consequences of holding interests in a PFIC by making a qualified electing fund election (a

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"QEF Election", and a U.S. Unitholder that makes a QEF Election, an "Electing Unitholder"). The Trust understands that a significant number of its U.S. Unitholders have made QEF Elections.

An Electing Unitholder will generally be required each taxable year in which the Trust is a PFIC to recognize, as ordinary income, a *pro rata* share of the earnings of the Trust, and to recognize, as capital gain, a *pro rata* share of the net capital gain of the Trust. Except in unexpected circumstances (and absent approval and adoption of the Polar Proposal), because the Trust invests substantially all of its assets in silver bullion with the purpose of achieving long-term appreciation in the value of its assets, it is not anticipated that the Trust will generate significant net capital gain or ordinary income and it is not expected that an Electing Unitholder will have significant income inclusions as a result of the QEF Election.

The Trust believes that there is a greater likelihood of redemptions by large Unitholders (in addition to Polar) in the event the Polar Proposal is adopted. Any gains recognized by the Trust upon a sale of silver bullion or a transfer of silver bullion to a Unitholder under the proposed redemption option will be allocated among the Units on a *pro rata* basis, and Electing Unitholders who are individuals, estates or trusts will generally be subject to tax at the "collectibles" rate of 28% on their share of such gain. **Accordingly, Electing Unitholders who are not the redeeming Unitholder will be subject to tax on their *pro rata* share of any gains recognized by the Trust as the result of a sale or transfer of silver bullion by the Trust pursuant to a redemption. By contrast, gains recognized on the sale or other taxable disposition of Units by Electing Unitholders who are individuals, estates, or trusts and who have held such Units as capital assets for longer than twelve months are generally eligible for the lower tax rates applicable to long-term capital gains (20% plus the 3.8% Medicare surtax, if applicable).**

It should also be noted that if there is a redemption of Units which results in a U.S. tax being payable by Electing Unitholders, the Trust has stated in its Annual Information Form its intention to distribute to all Unitholders, as of the last date of each taxable year, a distribution based on a specified formula. This distribution may be in cash and, if there is not sufficient cash, this distribution will be made in Units. These cash distributions made to Electing Unitholders who are individuals, estates and trusts will generally be subject to the 3.8% Medicare surtax.

Because these distributions may be subject to Canadian withholding tax, and because the amount of these distributions will be determined without reference to possible U.S. state or local income tax liabilities, or to the rate of U.S. federal income tax applicable to corporate Electing Unitholders, these distributions may not provide an Electing Unitholder with sufficient cash to pay the U.S. federal, state and local income tax liabilities arising from the inclusion in income of each Electing Unitholder's *pro rata* share of the Trust's gains arising from a redemption under the amended redemption feature.

An Electing Unitholder which is a U.S. mutual fund generally pays no U.S. federal income tax on their income and gains that it distributes to its unitholders. Upon the redemption of Units for physical bullion under the Polar Proposal, the taxable gain will be allocated to non-redeeming Electing Unitholders which are U.S. mutual funds under the rules discussed above. In order to avoid U.S. federal income tax on this gain and to avoid similar gains in the future, some non-redeeming U.S. mutual funds may be expected to sell their Trust Units.

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BENEFICIAL OWNERS OF UNITS ARE ENCOURAGED TO SEEK ADVICE FROM THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE POLAR PROPOSAL BASED ON THEIR PARTICULAR CIRCUMSTANCES.

This summary is based upon the Code, United States Department of the Treasury ("Treasury") regulations, rulings of the Internal Revenue Service ("IRS"), and judicial decisions in existence on the date hereof, all of which are subject to change. Any such change could apply retroactively and could adversely affect the tax consequences described above. No assurance can be given that the IRS will agree with the consequences described in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation. No advance tax ruling has been sought or obtained from the IRS regarding the tax consequences of the transactions described herein.

This summary is based in part on representation letters provided by the Trust and on customary factual assumptions. If any of those assumptions or representations is inaccurate, incomplete, or untrue, the conclusions stated above could be affected. Dorsey & Whitney LLP is under no obligation to update this summary as a result of a change in law or discovery of any inaccuracy in those representations. The summary above assumes that the terms and conditions of the amendments contemplated by the Polar Proposal are as described in this Circular and will not have been waived or modified in any respect prior to adoption, if adoption should occur.

For purposes of this summary, a "U.S. Unitholder" is a beneficial owner of Units that is (a) an individual who is a citizen of the United States or who is resident in the United States for U.S. federal income tax purposes, (b) an entity that is classified for U.S. federal income tax purposes as a corporation and that is organized under the laws of the United States, any state thereof, or the District of Columbia, or is otherwise treated for U.S. federal income tax purposes as a domestic corporation, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust (i) whose administration is subject to the primary supervision of a court within the United States and all substantial decisions of which are subject to the control of one or more United States persons as described in Section 7701(a)(30) of the Code ("United States persons"), or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

If an entity classified for U.S. federal income tax purposes as a partnership or as an entity disregarded from its owner owns Units, the tax treatment of an owner of the entity will depend on the status of the owner and the activities of the entity. The tax treatment of such an entity, and the tax treatment of any owner of such an entity, are not addressed in this summary. Any entity that is classified for U.S. federal income tax purposes as a partnership or as an entity disregarded from its owner and that owns Units, and any owners of such an entity, are encouraged to consult their own tax advisors.

This summary does not discuss all U.S. federal income tax considerations that may be relevant to U.S. Unitholders in light of their particular circumstances or that may be relevant to certain beneficial owners that may be subject to special treatment under U.S. federal income tax law (for example, tax-exempt organizations, insurance companies, banks and other financial institutions, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, real estate investment trusts, regulated investment companies (except as specifically discussed above), individual retirement accounts, qualified

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pension plans, persons who hold Units as part of a straddle, hedging, constructive sale, conversion, or other integrated transaction, persons who acquired Units as a result of the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan, U.S. Unitholders whose functional currency is not the U.S. dollar, controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax). Furthermore, this summary does not discuss any alternative minimum tax consequences, and does not address any aspects of U.S. state or local taxation. This summary only applies to those beneficial owners that hold Units as "capital assets" within the meaning of the Code.

VOTING INSTRUCTIONS

At the Meeting, holders of Units will vote on several items of business as set forth in the accompanying Notice of Annual and Special Meeting.

The Board of Trustees has fixed March 23, 2015 as the record date (the "**Record Date**") for the purpose of determining Unitholders entitled to receive notice of, and to vote at, the Meeting.

Voting by Proxy

Registered Owners

Registered holders of Units may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxy holder. Please complete, sign, date and return the enclosed **WHITE** proxy form solicited by this Circular in the envelope provided or by facsimile to CST at P.O. Box 721 Agincourt, ON M1S 0A1 in Canada so that it arrives no later than 11:00 a.m. (Toronto time) on Friday May 15, 2015, or in the case of an adjournment or postponement, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any reconvened Meeting. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

Beneficial Owners

The Trust will provide proxy materials to brokers and other custodians, intermediaries, nominees and fiduciaries (each an "**Intermediary**") and will request that such materials be forwarded to each beneficial owner of Units of the Trust shown in their records. If Units are listed in your account statement provided by any such Intermediary, then, in almost all cases, those Units will not be registered in your name on the records of such Intermediary. Such Units will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such Units are registered under the name of CDS & Co. ("**CDS**"), the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms that are CDS participants. In the United States, registrations are often under the registration name for the Depository Trust Company.

You are a non-registered Unitholder or "beneficial owner" if your Units are held by an Intermediary as referred to above. Under applicable securities legislation, a beneficial owner of securities is a "non-objecting beneficial owner" (or "**NOBO**") if such beneficial owner has, or is deemed to have, provided instructions to the Intermediary holding the securities on such beneficial owner's behalf not objecting to the Intermediary disclosing ownership information about the beneficial owner to the Trust in accordance with such legislation. Alternatively, a beneficial owner is an "objecting beneficial owner" (or "**OBO**") if such beneficial owner has or is deemed to have provided instructions objecting to same.

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If you are an OBO, you received these materials from your Intermediary or its agent, and your Intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Units. The Trust has agreed to pay for Intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form ("**VIF**"). The VIF that is sent to an OBO by the Intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Units, including how to attend and vote directly at the Meeting. Please read such instructions carefully in order to ensure that your Units are voted at the Meeting.

Therefore, beneficial holders of Units should ensure that instructions respecting the voting of their Units are communicated to the appropriate party.

Appointing a Proxy Holder

A proxy holder is the person you appoint to act on your behalf at the Meeting and to vote your Units in your name. **You may choose anyone to be your proxy holder – the person does not have to be a Unitholder or the persons whose names appear on such WHITE proxy form.** Simply insert the person's name in the blank space provided on the WHITE proxy form. You should be sure that this person is attending the Meeting and is aware that he or she has been appointed to vote your Units. If you do not insert a name in the blank space, then the persons named on the enclosed WHITE proxy form, being Bruce D. Heagle, Chair of the Special Committee and an Independent Trustee, or Michael A. Parente, member of the Special Committee and an Independent Trustee will be appointed as your proxy holder and will vote your Units as set forth under "Voting Discretion of Proxy Holder" below.

Your appointed proxy holder is authorized to vote and act for you at the Meeting, including any adjournment or postponement thereof. On the WHITE proxy form, you should indicate how you want your proxy holder to vote your Units. You may vote **FOR** or **WITHHOLD** your vote on each of the proposed nominees for election as Trustees and on the appointment of the Auditor including authorizing the Board of Trustees to fix their remuneration. You may vote **FOR** or **AGAINST** all other matters to be considered at the Meeting. Alternatively, you can let your proxy holder decide for you.

All Units represented by properly executed and deposited WHITE proxy forms will be voted for, voted against or withheld from voting, on the matters identified in the Notice of Annual and Special Meeting accompanying this Circular in accordance with the instructions of the respective Unitholders.

Voting Discretion of Proxy Holder

If you give directions on how to vote your Units, your proxy holder must vote such Units according to your instructions. If your WHITE proxy form does not specify how to vote on a particular issue, then your proxy holder can vote your Units as he or she sees fit. If your proxy holder does not attend the Meeting and vote in person, your Units will not be voted.

If you have appointed a person designated by the Trust as proxy holder as provided in the enclosed WHITE proxy form and you do not provide any instructions concerning a matter identified in the Notice of Annual and Special Meeting, the Units represented by such WHITE proxy will be voted as follows:

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FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as Auditor;



FOR the election of each of the five persons nominated by the Trust and named herein as Trustees;



FOR the ratification of the Advance Notice Rule;



AGAINST the Dissident Board Resolutions; and



AGAINST the Dissident Redemption Resolution

The accompanying **WHITE** proxy form confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting and with respect to other business which may properly be brought before the Meeting. At the date of this Circular, the Trust knows of no such amendments, variations or other business to be brought before the Meeting.

Revoking your Proxy

A Unitholder may revoke its proxy before the proxy is exercised by re-voting the proxy online, by fax or by completing and signing a new proxy form bearing a later date and sending it to CST or to such other person as may be specified on the enclosed **WHITE** proxy form. **The proxy form must be received no later than the required date and time specified on the proxy form.** A later dated proxy form automatically revokes any previously submitted proxy form. A Unitholder can also send a written statement indicating its wish to have its proxy revoked. This written statement must be received (i) by CST, Attention: Proxy Department, 320 Bay Street, 3rd Floor, Toronto, Ontario, M5H 4A6, at any time up to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used; (ii) with the Chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by law.

If you are a beneficial (non-registered) Unitholder, please contact your nominee for directions on how to revoke your voting instructions.

PARTICULARS OF MATTERS TO BE VOTED UPON AT THE MEETING

I. 2014 FINANCIAL STATEMENTS

The first item of business to be addressed at the Meeting is the receipt and consideration of the financial statements of the Trust for the fiscal year ended December 31, 2014 together with the Auditor's report thereon.

II. RE-APPOINTMENT AND REMUNERATION OF AUDITOR

The second item of business to be addressed at the Meeting is the appointment of the Auditor of the Trust and the fixing of its remuneration.

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It is intended to vote the proxies solicited at the Meeting to re-appoint as Auditor of the Trust the firm of Ernst & Young LLP, whose re-appointment has been recommended by the Audit Committee of the Trust, and to authorize the Trustees to fix the Auditor's remuneration.

Ernst & Young LLP has been the Auditor of the Trust since its inception in 2009. The Trust conducts a comprehensive review of the Auditor at least every five years and conducts an intensive review approximately one to two years in advance of the comprehensive review.

Unless the Unitholder has specifically instructed in the enclosed WHITE proxy form that the Units represented by such WHITE proxy are to be withheld, the persons named in the accompanying WHITE proxy form will vote FOR the appointment of Ernst & Young LLP as Auditor of the Trust to hold office until the next annual meeting of Unitholders or until a successor is appointed and to authorize the Board of Trustees to fix the remuneration of the Auditor.

III. ELECTION OF TRUSTEES

Election Details

The third item of business to be addressed at the Meeting is the election of the Trust's nominees for Trustee, to hold office until the next annual meeting of Unitholders or until their successors are duly elected or appointed. The Board of Trustees has fixed the authorized number of Trustees to be elected at the Meeting at five.

The term of office of each person elected as a Trustee will be until the termination of the next annual meeting of Unitholders or until his or her successor is duly elected, unless his office is earlier vacated in accordance with the Declaration of Trust.

It is intended to vote the proxies solicited at the meeting to re-elect each of the five persons named as nominees below, which nominees have been put forward by the Corporate Governance and Nominating Committee of the Trust. The senior executive officers of the Trust are not presently aware that any such person would be unwilling or unable to serve as a Trustee if elected. However, if this should occur for any reason prior to the Meeting, it is intended that the persons so named in the accompanying WHITE proxy form will have discretionary authority to vote the proxy for the election of any other person or persons as Trustees. While the Trust's founder and administrator, Silver Administrators Ltd. (the "**Administrator**") has the right to nominate two Trustees (the "**Administrator Nominees**"), it is currently only exercising this right in respect of one nominee, being Mr. J.C. Stefan Spicer, and reserves its right each year to nominate one other.

Unless the Unitholder has specifically instructed in the enclosed WHITE proxy form that the Units represented by such WHITE proxy are to be withheld, the persons named in the accompanying WHITE proxy form will vote FOR the election as Trustee each of the five persons named as nominees below.

In the event that the Dissident Board Resolutions described herein are passed by Unitholders at the Meeting, the three nominees put forward by Polar for election to the Board, being Robert A. Lehodey, Stephen T. Moore and Andrew J. Papierz (the "**Polar Dissident Nominees**"), together with the Administrator Nominees, J.C. Stefan Spicer and Krystyna S. Bylinowski, will be elected as Trustees for

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the ensuring year irrespective of the outcome of voting on the election of Trustees nominated by the Trust.

Majority Voting Policy

The Board of Trustees has adopted a policy which requires that any nominee for Trustee other than the nominee or nominees of the Administrator, who fails to receive a majority of the number of votes cast for his or her election as a Trustee, treating for such purpose a "withhold" vote as a vote against his or her election, shall promptly tender his or her resignation to the Board following the meeting at which he or she is not elected, which resignation will become effective upon its acceptance by the Board. The Corporate Governance and Nominating Committee will consider the proffered resignation offer and will make a recommendation to the Board as to whether to accept it. The Board of Trustees will disclose its decision, via press release, within 90 days of the applicable meeting at which the election took place.

A Trustee who tenders his or her resignation pursuant to this policy will not participate at any meeting of the Corporate Governance and Nominating Committee or the Board of Trustees at which the resignation is considered. **This policy only applies to uncontested elections, meaning elections where the number of nominees for Trustees is equal to the number of Trustees to be elected upon such election as determined by the Board. As the Meeting is a contested meeting, the Trust's Majority Voting Policy will not apply.** A copy of the full policy can be found on the Trust's website at www.silverbulliontrust.com.

Background of Nominees

The ensuing subsections provide information concerning the nominees as Trustees, their background and qualifications, duration of their involvement with the Trust, their holdings of Units, their compensation and attendance at meetings. For information concerning how their performance is evaluated, see "Corporate Governance - Corporate Governance and Nominating Committee" below. As described elsewhere in this Circular, the Administrator has the right to appoint two nominees to be proposed for election to the Board of Trustees. While the Administrator has the right to nominate two Trustees, it currently exercises this right only in respect of one nominee, being J.C. Stefan Spicer.

The following table sets out certain of such information with respect to each of the five nominees as Trustees of the Trust, all of whom are Canadians currently serving as Trustees:

Nominee	Background
Bruce D. Heagle Independent Trustee Ancaster, Ontario Age: 57 Trustee since 2009 Chair of Audit Committee Member of Corporate Governance and	Bruce D. Heagle has an MBA from the Richard Ivey Business School and over 20 years of senior management experience. Since 1991, Mr. Heagle has been President of NSBL International (private capital investments). In addition, Mr. Heagle serves as a board member for various publicly traded companies, including Central GoldTrust, where he has been Trustee and Chair of the Audit Committee. He is also a director and Chair of the Audit Committee of Central Fund of Canada Limited. Mr. Heagle has been a director of the Bakery Council of Canada and Chairman of the Board of Governors as well

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Nominee	Background
Nominating Committee Chair of Special Committee	as Chairman of the Finance Committee of Hillfield Strathallan College.
Ian M. T. McAvity Independent Trustee Toronto, Ontario Age: 72 Trustee since 2009 Lead Trustee Chair of Corporate Governance and Nominating Committee Member of Special Committee	Ian M.T. McAvity is a Trustee and Chair of the Corporate Governance and Nominating Committee of the Trust, Lead Director of Central Fund of Canada Limited and Lead Trustee and Chair of the Corporate Governance and Nominating Committee of Central GoldTrust. A former director of Novagold Resources Inc., Mr. McAvity is also President and a director of Duncan Park Holdings Corporation (a junior minerals exploration company). Mr. McAvity has over 50 years of extensive investment industry experience as a banker, broker, and, since 1975, as an independent advisor and consultant, specializing in the technical analysis of international equity, foreign exchange and precious metals markets. Mr. McAvity's analysis and views have been published in "Ian McAvity's Deliberations on World Markets Newsletter" continuously from 1972 to 2014.
Michael A. Parente Independent Trustee Hamilton, Ontario Age: 58 Trustee since 2011 Member of Audit Committee Member of Corporate Governance and Nominating Committee Member of Special Committee	Michael A. Parente holds a Bachelor of Commerce degree from McMaster University, is a Chartered Professional Accountant, Certified Management Accountant and Certified Financial Planner in Canada. He has been President of M.A.P. Consulting & Financial Services since February 2009. Prior to that, he was the Director of Finance for First Ontario Credit Union from March 2004 to January 2009. From February 1990 to August 2002, Mr. Parente was Vice-President Finance of Central Fund of Canada Limited. Previously, for over 15 years prior to 2004, he was Chief Financial Officer, Compliance Officer, President and Investment Counsel & Portfolio Manager (ICPM) for a mutual fund management company. Mr. Parente is a Director and member of the Audit Committee of Central Fund of Canada Limited and a Trustee and member of the Audit Committee of Central GoldTrust.
Jason A. Schwandt Independent Trustee Burlington, Ontario Age: 42 Trustee since 2012 Member of Audit Committee Member of Special Committee	Jason A. Schwandt holds an Electrical Engineering & Management degree and an MBA (Management of Innovation) from McMaster University. He is currently President of J.A. Schwandt Engineering Inc., and was formerly an owner and Vice President of Techcentive Services Inc., a tax credit and corporate cost-reduction consultancy. Prior to that, Mr. Schwandt was employed for over 10 years in various management roles in engineering, program office, operations, and corporate strategy at Celestica Inc., a global contract electronics manufacturer and former manufacturing arm of IBM. Mr. Schwandt is also a Director and member of the Audit Committee of Central Fund of Canada Limited and a Trustee and member of the Corporate Governance and Nominating Committee of Central GoldTrust.

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Nominee	Background
J. C. Stefan Spicer Trustee, Chairman, President and CEO Lynden, Ontario Age: 49 Trustee since 2009 *Administrator Nominee	J.C. Stefan Spicer is also the Chairman, President and Chief Executive Officer and a Director of Central Fund of Canada Limited, a publicly traded gold and silver bullion holding company, the shares of which are listed on the NYSE MKT and the Toronto Stock Exchange. He is also a Trustee, Chairman, President and Chief Executive Officer of Central GoldTrust, the Units of which are listed on the NYSE MKT and the Toronto Stock Exchange. He has over 30 years of investment industry experience. Mr. Spicer is a nominee of the Administrator as a Trustee of the Trust.

Board Independence

The Board of Trustees has a policy of ensuring that a majority of the Trustees are "independent". In this context, the Trustees consider a Trustee to be independent if he or she is independent within the definitions set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Instrument 52-110 – *Audit Committees* as having no material relationship with the Trust which could in the view of the Board of Trustees be reasonably expected to interfere with the exercise of his or her judgment. The Corporate Governance and Nominating Committee annually reviews the independence of the Trustees and advises the Board accordingly.

Four of the five current Trustees, Messrs. Heagle, McAvity, Parente and Schwandt, are regarded by the Trustees as being independent in accordance with the foregoing. With respect to the other Trustee, Mr. Spicer is involved as an officer serving as the Chairman and the President and Chief Executive Officer of the Trust, and is an officer of the Administrator. The other four Trustees do not have interests or relationships with the Trust referred to above and, as a consequence of such measure of independence and their diverse backgrounds and experience, such Trustees may be regarded as in a position to reflect the interests of the Unitholders in the Trust. All of the current Trustees, except Michael A. Parente, are Unitholders in their own right.

Board Chairman

The Board Chairman, Mr. Spicer, is a duly elected member of the Board of Trustees and was recently appointed as Chairman by the Board in addition to his role as President and Chief Executive Officer of the Trust. The appointment of the Chairman is generally for a one-year term, with such appointment being (except when a vacancy is being filled) at the first meeting of the Board following the annual meeting of Unitholders. The Board Chairman provides leadership to the Board. He or she sets the "tone" for the Board and the Trustees to foster effective, ethical and responsible decision-making, appropriate oversight of officers and the Administrator and strong corporate governance practices. In addition to individual Trustee responsibilities, responsibilities set out in the Board Charter and specific duties assigned by the Board from time to time, the Board Chairman will generally: oversee Board direction and administration, ensuring that the Board works as a cohesive team and builds a strong governance culture; provide guidance and leadership to the Board, the Board Committees and individual Trustees in support of the Trust's commitment to corporate responsibility and its Code of Conduct and Ethics; and foster effective, ethical and responsible decision-making by the Board, the Board Committees and individual Trustees.

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In the context of leadership, the Board Chairman will: provide overall leadership to enhance the effectiveness of the Board; provide advice and counsel to the Committee Chairs and fellow Trustees; ensure that the responsibilities of the Board, Board Committees and individual Trustees, as set out in the mandate of the Board, a copy of which is attached hereto as Appendix "E", are well understood by them and work with the other officers to monitor progress on forward planning and policy implementation. Among other things, the Board Chairman will, with the Corporate Secretary, establish the agenda for and chair Board meetings; ensure that Trustees are receiving information that is timely, in a useful format and of high quality; chair all annual meetings and special meetings of Unitholders; and work with and assist the Chief Financial Officer and Corporate Secretary in representing the Trust's interests externally with Unitholders, regulators and the investment community.

Holding of Units

The following table sets out the number of Units each Trustee held as of the date of this Circular.

Nominee	Number of Units Beneficially Owned or over which Control or Direction is Exercised as of April 24, 2015
Bruce D. Heagle	1,000
Ian M. T. McAvity	2,000
Michael A. Parente	Nil
Jason A. Schwandt	1,000
J.C. Stefan Spicer	10,000 ¹

¹ The Spicer family holds a total of 50,000 Units, inclusive of those noted above. Units in the amounts of 20,000 are held by Central Group Administrators Inc., which is owned by Joanne Spicer, the mother of J. C. Stefan Spicer, 8,000 are owned by Philip Spicer, the father of J.C. Stefan Spicer, 8,000 are held by FutureFunds Inc. owned by the family of Stefan Spicer, 2,000 are owned by his sister, Michele Spicer and 2,000 are owned by her company Accrete Corporation Limited.

The Trustees have not granted and do not foresee granting any options on Units and have not created and do not foresee creating any deferred Units for the benefit of the Trustees or officers of the Trust.

IV. ADVANCE NOTICE RESOLUTION

The fourth item of business to be addressed at the meeting is the ratification and confirmation of the Advance Notice Rule.

Background

On April 22, 2015, the Board of Trustees, in consultation with legal advisors, adopted with immediate effect the Advance Notice Rule. The purpose of the Advance Notice Rule is to require any Unitholder that seeks to nominate a candidate for election as Trustee to give to the Trust advance notice of any Trustee or Trustees that such Unitholder proposes to nominate (including certain prescribed information about such nominees). The intention is to ensure that all Unitholders (including those participating by proxy) receive adequate information about nominated Trustees so that they can make informed voting decisions at a meeting at which Trustees are to be elected. The Advance Notice Rule will also help to ensure orderly Unitholder meetings by providing a structured and transparent framework for the nomination of Trustees by Unitholders.

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A copy of the Advance Notice Rule is attached hereto as Appendix "B".

The purpose of the Advance Notice Rule is not to discourage Unitholder nominations, but rather to facilitate proper information concerning Trustee nominees and an efficient meeting process.

Required Information about Nominees

The Advance Notice Rule will require that certain information be provided concerning proposed nominees as Trustees. This is similar to the information that the Trust is required to disclose about its nominees in this Circular, such as information about their name, age and citizenship; the number of Units of the Trust controlled or owned beneficially, directly or indirectly, or of record by the nominee; relevant education and experience; and whether the nominee is independent. This requirement is intended to make sure that all Unitholders have sufficient information about proposed nominees in a timely manner to make an informed voting decision.

Required Notice Periods

Under the Advance Notice Rule, for an annual meeting of Unitholders, the Trust must receive notice of Trustee nominees from the Nominating Unitholder not less than 30 days prior to the date of such annual meeting; provided that if such annual meeting is to be held on a date which is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of such meeting was made, notice from the nominating Unitholder may be made not later than the 10th day following the Notice Date.

Notwithstanding the notice requirements set out above, for the purposes of the Meeting, the Advance Notice Rule provides that the Trust is required to receive notice of Trustee nominees from any nominating Unitholder not later than May 3, 2015, being the tenth day following the public announcement of the Board's adoption of the Advance Notice Rule.

For a special meeting (which is not also an annual meeting) called for the purpose of electing Trustees the Trust must receive notice from the nominating Unitholder not later than the close of business on the 15th day following the day of the first public announcement of the date of such special meeting.

In the case of an annual or special meeting where the Trust is using "notice-and-access" for delivery of proxy-related materials, the Trust must receive the notice not less than 40 days prior to the date of such annual or special meeting. The Trust currently does not use "notice-and-access" for delivery of proxy-related materials.

In addition, to be considered timely and in proper written form, a nominating Unitholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

The Trustees may, in their sole discretion, amend the time periods for the giving of a Nominating Unitholder's notice set forth above in order to comply with changes to applicable laws or recommended best practices.

Pursuant to Subsection 9.2(p) of the Declaration of Trust, the Trustees are permitted to enact from time to time without the approval or confirmation of the Unitholders of the Trust binding rules and procedures

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not inconsistent with the Declaration of Trust containing provisions relating to the Trust and the conduct of affairs of the Trust. Notwithstanding that the approval or confirmation of the Unitholders is not required for the Trustees to enact such binding rules and procedures, including the Advance Notice Rule, the Trustees believe it is reflective of the best practices of corporate governance to seek Unitholder ratification and confirmation of such binding rules and procedures. The Trustees believe that, as the elected representatives of Unitholders and as the individuals primarily responsible for the governance of the Trust, it is their responsibility to balance the protection of the fundamental Unitholder right to put forward potential nominees for election to the Board of Trustees with the need to ensure that Unitholders receive information in respect of such potential nominees in sufficient time to make an informed voting decision. The Trustees believe that the Advance Notice Rule achieves such balance.

It is intended to vote the proxies solicited at the Meeting in favour of the Advance Notice Resolution, in the form attached hereto as Appendix "A". For such resolution to be effective, it requires the favourable vote of at least a majority of the Units voted in person or by proxy at the Meeting. In the event that the Advance Notice Resolution does not receive the requisite level of Unitholder support, it is expected that the Trustees will take steps to terminate the Advance Notice Rule following the Meeting.

Unless the Unitholder has specifically instructed in the enclosed WHITE proxy form that the Units represented by such WHITE proxy are to be voted against the Advance Notice Resolution, the persons named in the accompanying WHITE proxy form will vote FOR the adoption of the Advance Notice Resolution.

V. DISSIDENT BOARD RESOLUTIONS

The fifth item of business to be addressed at the Meeting is referred to, collectively, as the Dissident Board Resolutions.

In connection with the Polar Requisition, Polar tabled a series of related resolutions that together comprise the Dissident Board Resolutions, the effect of which would be to remove the incumbent Independent Trustees and replace them with three Board nominees handpicked by Polar, being the Polar Dissident Nominees.

The Dissident Board Resolutions have been put forward by Polar as a series of three ordinary resolutions which are described below, and the full text of these resolutions are attached hereto as Appendix "C". For the Dissident Board Resolutions to be effective, each resolution requires the favourable vote of at least a majority of the Units voted in person or by proxy at the Meeting.

The Board of Trustees unanimously recommends that Unitholders REJECT the Dissident Board Resolutions.

Unless the Unitholder has specifically instructed in the enclosed WHITE proxy form that the Units represented by such WHITE proxy are to be voted for the Dissident Board Resolutions, the persons named in the accompanying WHITE proxy form will vote AGAINST each of the Dissident Board Resolutions.

In the event that the Dissident Board Resolutions are passed by Unitholders, the Polar Dissident Nominees, together with the Administrator Nominees J.C. Stefan Spicer and Krystyna S. Bylinowski, will

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be elected as Trustees for the ensuring year irrespective of the outcome of voting on the election of Trustees in Item III above.

A. Fixing the Dissident-Controlled Board at Five

The first Dissident Board Resolution seeks to fix the number of Trustees at five for the purposes of the Meeting and to restore the authority of the Board to thereafter set the number of Trustees within the minimum and maximum number and other limitations set forth in the Declaration of Trust. Based on advice received from legal counsel, the Trustees are of the view that the setting of the number of Trustees is a matter within the authority of the Trustees under the Declaration of Trust, and not within the authority of the Unitholders absent an amendment to the Declaration of Trust. Accordingly, the Board of Trustees is of the view that this resolution is not properly conceived by Polar, and the Board has already fixed the authorized number of Trustees to be elected at the Meeting at five in any event. Nevertheless, the Trustees have determined to table the resolution at the Meeting in accordance with the Polar Requisition.

The foregoing resolution has been put forward by Polar as an ordinary resolution. For such resolution to be effective, it requires the favourable vote of at least a majority of the Units voted in person or by proxy at the Meeting. **Unless a Unitholder directs otherwise, the persons named in the accompanying WHITE proxy form will vote AGAINST the foregoing resolution.**

B. Removal of Incumbent Independent Trustees

The second ordinary resolution comprising part of the Dissident Board Resolutions seeks to remove each of the current Independent Trustees of the Trust from office.

Since inception, the Trust has consistently had a strong, independent Board of Trustees. The Board of Trustees has in excess of 25 years of collective experience in proven stewardship of the Trust. Further, each of the incumbent Independent Trustees has been strongly endorsed, with over 99% of the votes cast in favour of his election, at each of the previous annual meetings of Unitholders at which such Independent Trustee was nominated for election. In addition, each of these Independent Trustees has waived between 50% and 75% of the fees to which he is entitled as a Trustee in order for the Trust to maintain its low administration costs and expense ratio. For these reasons, the Board does not see any reason to remove the incumbent Independent Trustees from office and the Corporate Governance and Nominating Committee of the Trust, which is comprised entirely of Independent Trustees, has nominated the incumbent Independent Trustees for re-election as Trustees. See "Particulars of Matters to be Voted Upon at the Meeting – Election of Trustees" above for further information concerning the Independent Trustees nominated for re-election by the Corporate Governance and Nominating Committee.

The foregoing resolution has been put forward by Polar as an ordinary resolution. For such resolution to be effective, it requires the favourable vote of at least a majority of the Units voted in person or by proxy at the Meeting. **Unless a Unitholder directs otherwise, the persons named in the accompanying WHITE proxy form will vote AGAINST the foregoing resolution.**

C. Polar Dissident Nominees

In the event that the foregoing resolution removing the incumbent Independent Trustees from office is passed, the third ordinary resolution comprising part of the Dissident Board Resolutions seeks to fill the vacancies in the Board by electing the Polar Dissident Nominees to hold office along with the remaining

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incumbent Trustee J.C. Stefan Spicer and a second nominee of the Administrator, Krystyna S. Bylinowski. Relevant information concerning each of the Polar Dissident Nominees is set forth in Exhibit 1 to Appendix "C" attached hereto. Selected biographical information for Ms. Bylinowski is set forth in Exhibit 2 to Appendix "C" attached hereto.

Neither the Administrator, the Corporate Governance and Nominating Committee nor the Board of Trustees take any responsibility for the information contained in Appendix "C" (with the exception of Exhibit 2 to Appendix "C"). It has been appended to this Circular in substantially the form it was received by the Board in accordance with the Polar Requisition and its contents have not been independently verified. The Polar Dissident Nominees have NOT been nominated by the Trust and have not undergone any review in accordance with the policies of the Corporate Governance and Nominating Committee.

See "Reasons for Rejecting the Polar Nominees" accompanying this Circular.

The foregoing resolution has been put forward by Polar as an ordinary resolution. For such resolution to be effective, it requires the favourable vote of at least a majority of the Units voted in person or by proxy at the Meeting. **Unless a Unitholder directs otherwise, the persons named in the accompanying WHITE proxy form will vote AGAINST the foregoing resolution.**

VI. DISSIDENT REDEMPTION RESOLUTION

The sixth item of business to be addressed at the Meeting is the Dissident Redemption Resolution. The Dissident Redemption Resolution which relates to the adoption of the Polar Proposal provides for certain significant amendments to the redemption rights provisions of the Declaration of Trust in order to implement a physical bullion redemption option as well as changes to the existing cash redemption provision.

The Dissident Redemption Resolution has been put forward as a special resolution and the full text thereof is attached hereto as Appendix "D". For such resolution to be effective, it requires the favourable vote of at least 2/3 of the Units voted in person or by proxy at the Meeting.

After a thorough review of the Polar Proposal, exploring several possible alternatives and following the receipt of advice from its financial, tax and legal advisors, and the unanimous recommendation of the members of the Special Committee, the Board unanimously reached the conclusion that the Polar Proposal is inconsistent with the long-standing investment principles of the Trust and is not in the best interests of the Trust and all of its Unitholders. Accordingly, the Board is unanimously recommending that the Dissident Redemption Resolution be REJECTED by Unitholders.

See "Reasons for Rejecting the Polar Proposal" accompanying this Circular.

Unless the Unitholder has specifically instructed in the enclosed form of WHITE proxy that the Units represented by such WHITE proxy are to be voted for the resolution attached hereto as Appendix "D", the persons named in the accompanying WHITE proxy will vote AGAINST the Dissident Redemption Resolution.

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VII. OTHER MATTERS

The Trustees know of no other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Annual and Special Meeting and in this Circular. However, if any other matter properly comes before the Meeting, the **WHITE** proxy form furnished by the Trust will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

CORPORATE GOVERNANCE DISCLOSURE

The Trust's governance practices are designed with a view to ensuring that its affairs are administered so as to foster value for its Unitholders. With limited exceptions, as noted below, these practices generally accord with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 - *Corporate Governance Guidelines* (collectively the "**Governance Rules**") and with National Instrument 52-110 - *Audit Committees* and its Companion Policy 52-110CP (hereinafter collectively the "**Audit Committee Rules**"), all of which are rules of the Canadian Securities Administrators.

The Trust's corporate governance practices are designed with a view to ensuring that the affairs of the Trust are effectively administered in the interests of Unitholders as a whole.

The Trustees establish their own policies, procedures and practices concerning the direction and administration of the Trust. They fulfill their duties with independence from the senior executive officers of the Trust.

Board Mandate and Code of Ethics

The Board of Trustees is, as set forth in its mandate, responsible for the supervision and administration of the affairs of the Trust pursuant to its powers and obligations under the governing Declaration of Trust and other statutory and legal requirements generally applicable to Trustees of a unit trust that is also a reporting issuer, so as to ensure the viability of the Trust and its function as a passive holder of silver bullion.

A copy of the mandate of the Board is attached hereto as Appendix "E" (the "**Board Mandate**").

In carrying out its duties, the Board holds regular meetings on at least a quarterly basis and additional meetings to deal with particular matters as appropriate. Supported by two committees of Trustees, the Board oversees the administration of the Trust, including the activities of the Administrator, and, in summary: oversees the strategy of the Trust and its implementation; identifies and assesses the principal risks of the Trust; reviews financial performance and reporting; assesses the internal control and information systems; assesses and selects nominees for election as Trustees; appoints the senior officers of the Trust, assures their integrity and reviews their performance; is responsible for succession planning; oversees public communications policies and Unitholder relations; and, annually reviews the effectiveness of the Board and its committees (including a Trustee's individual contribution). These duties and responsibilities are consistent with the Governance Rules.

An individual Trustee is permitted to engage an outside advisor at the expense of the Trust in specific circumstances such as where the Trustee is placed in a conflict position through activities of the Trust, but

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any such engagement is subject to prior approval of the Corporate Governance and Nominating Committee referred to below. No such engagement is currently anticipated or has occurred to date.

The Board has adopted a Code of Conduct and Ethics (the "**Code of Conduct**") which governs behaviour of the Trustees and officers of the Trust as well as employees of the Administrator. The Code of Conduct is reviewed annually and recommended changes, if any, are brought to the Board. Compliance with the Code of Conduct is monitored by the Board and, should any waivers be granted to Trustees or officers, the policy is to disclose this in the next ensuing quarterly or annual report. The Board has also adopted a formal Board Mandate that sets out its responsibilities for stewardship of the Trust. The Code of Conduct and the Board Mandate are set out on the Trust's website at www.silverbulliontrust.com. The establishment and monitoring of the Code of Conduct and the creation of the Board Mandate are in accordance with the Governance Rules.

The Board has also developed an individual Trustee's mandate setting forth the duties and responsibilities of each Trustee. Also, as recommended under the Governance Rules, formal position descriptions have been developed for the Trustees, the Board Chairman, the Chair of the Audit Committee, the Chair of the Corporate Governance and Nominating Committee and the Chief Executive Officer, defining their respective duties and the limits of the Administrator's responsibilities as well as the Chief Executive Officer's objectives.

Composition of Board

The Trustees are elected by the Unitholders at each annual meeting, except that the Board is entitled to appoint a Trustee to fill a vacancy until the next annual meeting. The term of office of each Trustee expires at the next annual meeting or upon election or appointment of a successor. The Board currently consists of five Trustees, four of whom, namely Messrs. Heagle, McAvity, Parente and Schwandt are Independent Trustees. The Board complies with the Governance Rules in that there is a majority of the Trustees that are independent.

Lead Trustee

Mr. McAvity, an Independent Trustee and the Chair of the Corporate Governance and Nominating Committee, serves as the "Lead Trustee". As such, he has the responsibility of overseeing the operation of the Board and its effectiveness and leads discussions of the Board of Trustees when it meets in private session without senior executive officers or members of the Administrator. These in camera sessions are held at each regular Board meeting and also at Audit and Corporate Governance and Nominating Committee meetings so as to promote full and open discussion among the non-administrative Trustees. The Lead Trustee is appointed on an annual basis by the Board.

Tenure of Office

As a matter of policy, unless otherwise determined by the Board, a Trustee shall retire from office at the next annual meeting following attainment of 78 years of age. The Board has not chosen to limit a Trustee's term to a specified number of years, being of the view that while there should be periodic renewal of membership on the Board and its committees in order to benefit from new perspectives from time to time, the knowledge of the Trust's purpose and affairs and constancy in stewardship are of great value to the Unitholders and take time to develop.

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Board Activities

The Board of Trustees is in a position to conduct its meetings and to make appropriate decisions effectively. Financial and other information is made available to Board members several days in advance of meetings. Trustees are generally encouraged to attend meetings in person. Trustees are asked to advise the Trust if they are unable to attend meetings and attendance at meetings is recorded. The Board held four meetings during the past fiscal year and all of the members attended or participated in such meetings. All Trustees have agreed to an evaluation of their collective as well as their individual performance. All Trustees are encouraged to exercise their responsibilities in the best interests of the Trust and its Unitholders generally.

The following table sets forth the exemplary attendance of the Trustees at Board and Committee meetings during the year ended December 31, 2014.

Trustee	Board Meetings Attended		Committee Meetings Attended	
Bruce D. Heagle	4 of 4	100%	6 of 6	100%
Ian M. T. McAvity	4 of 4	100%	2 of 2	100%
Michael A. Parente	4 of 4	100%	6 of 6	100%
Jason A. Schwandt	4 of 4	100%	2 of 2	100%
J.C. Stefan Spicer	4 of 4	100%	N/A	100%

Trustee Nominees

The Board of Trustees has not adopted a formal policy for the recruitment of new Trustees as recommended by the Governance Rules. However, as the need for recruitment arises, the responsibility for identifying or reviewing a nominee or nominees and recommending them to the Board is assigned to the Corporate Governance and Nominating Committee, which is comprised exclusively of Independent Trustees. This Committee advises the Board on the appropriate size and composition of the Board and the competencies and skills that the Board as a whole, and individual nominees, should possess in the context of the Trust's activities. The Chair of the Corporate Governance and Nominating Committee elicits suggestions for new or replacement Trustees and the Corporate Governance and Nominating Committee assesses the qualities and experience of candidates including diversity and other factors. In considering diversity, the Corporate Governance and Nominating Committee takes into account personal characteristics such as age, gender, education and experience.

For competencies and skills of the current nominees as Trustees, please see the background information set out under "Particulars of Matters to be Voted Upon at the Meeting – Election of Trustees" above. The Corporate Governance and Nominating Committee's assessment of candidates includes a candidate's overall suitability for the Board and one or more of its committees, their integrity and their ability to devote sufficient time as a Board or committee member. The Corporate Governance and Nominating Committee's recommendations are discussed with the management of the Trust and then go to the Board for approval.

In accordance with the Administrative Services Agreement dated June 8, 2009 between the Trust and the Administrator (the "**Administrative Services Agreement**"), the Administrator has the right, but not the

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obligation, to appoint two nominees for election to the Board of Trustees at any meeting of Unitholders. The Corporate Governance and Nominating Committee does not necessarily undertake any of the activities described above with respect to the Administrator's nominees.

Representation of Women on Board

No women serve as Trustees at present (0%). The Trust has not, at this time, adopted a written policy relating to the identification and nomination of women as Trustees, nor has it adopted a target for representation of women by a fixed date. Though recommendations are made by the Corporate Governance and Nominating Committee on the basis of broad criteria, such as merit, skills, qualifications of candidates, the needs of the Trust and diversity, the possibility of adopting a formal written policy is expected to be discussed at the next meeting of the Corporate Governance and Nominating Committee and its views will be taken to the Board. The Trustees are mindful of the benefit of diversity on the Board and the need to maximize its effectiveness. Unitholders may expect that, on the next occasion on which a new Trustee is to be nominated, active consideration will be given to nominating a woman.

Representation of Women as Executive Officers

The Trust has not adopted a written policy relating to the identification and nomination of women as executive officers (as defined in the Governance Rules), nor has it adopted a target for representation of women in executive officer roles by a fixed date. However, two of the five executive officer positions of the Trust (40%) are currently occupied by women and this has been the case for many years. In addition, with the pending retirement from office this year of the Chief Financial Officer, the Corporate Governance and Nominating Committee and the Board will have occasion to consider the gender diversity of the executive officer ranks alongside the merit, skills and qualifications of candidates and the needs of the Trust in selecting a new Chief Financial Officer.

Orientation of New Trustees

Any new Trustee receives an extensive orientation. Before agreeing to be nominated for the Board, he or she is advised as to the role of the Board, its committees and Trustees and on the objective and status of the Trust as well as other aspects of the Trust's activities. He or she is briefed on the anticipated workload and time commitment. A Trustee's manual is also provided which contains, among other things, the structure of the Board and its committees, a current list of officers and Trustees, the charters of the Board and committees, and insider trading, communications and other policies as well as the Code of Conduct. In addition, the individual Trustee mandate is provided. This is consistent with the Governance Rules and enables a new Trustee to better understand the Trust and his or her role and responsibilities.

Continuing Education

The Board encourages its members to participate in seminars or information sessions that relate to their responsibilities as Board or committee members. In addition, the President and Chief Executive Officer provides a quarterly briefing on the status and outlook for the Trust, the Corporate Secretary provides at least a semi-annual briefing on regulatory changes and corporate governance developments that may be of interest and the Auditor and others provide materials and offer seminars on subjects of interest such as changes in accounting policies.

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Committees

The Board of Trustees is responsible for establishing and overseeing the performance of all committees, appointing members to serve on such committees and approving their compensation. Two standing committees have been appointed.

Audit Committee

The Audit Committee is comprised of three Trustees, Messrs. Heagle, Parente and Schwandt, all of whom are Independent Trustees as contemplated by the Audit Committee Rules. Each of the members of the Audit Committee is "financially literate" within the meaning of Audit Committee Rules, and has the ability to read and understand a set of financial statements and the accompanying notes. Each of the Trustees currently serving on the Audit Committee is regarded by the Board as having "accounting or related financial experience" through having the ability, by virtue of past accounting training and/or experience as a Chief Financial Officer or Chief Executive Officer with oversight of a corporation's or trust's finance and accounting activities, to analyze and interpret a full set of financial statements and the accompanying notes prepared in accordance with Canadian generally accepted accounting principles.

Mr. Heagle is a graduate of the Richard Ivey Business School and has over 20 years of senior management experience. Since 1991 Mr. Heagle has been President of NSBL International (private capital investment). Mr. Heagle also serves as Chair of the Audit Committee for Central GoldTrust and Central Fund of Canada Limited. Mr. Parente is a Chartered Professional Accountant, Certified Management Accountant and Certified Financial Planner in Canada and has been an independent consultant since 2009. Prior to that, he had been the Director of Finance for First Ontario Credit Union since 2004. From February 1990 to August 2002, Mr. Parente was the Vice-President Finance of Central Fund of Canada Limited. Previously, for over 15 years, he was Chief Financial Officer and Compliance Officer for a mutual fund management company. Mr. Parente is also a member of the audit committees of Central GoldTrust and Central Fund of Canada Limited. Mr. Schwandt has broad management and operational experience and experience in the review of financial statements. Mr. Schwandt is also a member of the Audit Committee of Central Fund of Canada Limited. The charter for the Audit Committee reflects the requirements of the Audit Committee Rules. The Audit Committee fulfils its responsibilities within the context of the following guidelines:

- the Audit Committee communicates its expectations to the Trust's administration and the external Auditor with respect to the nature, extent and timing of its information needs. The Audit Committee expects that draft financial statements and other written materials will be received from the executive officers or the external Auditor several days in advance of Audit Committee meeting dates;
- the Audit Committee, in consultation with the officers and the external Auditor, develops an Audit Committee agenda which is responsive to the Audit Committee's needs as set out in its charter;
- the Audit Committee, in consultation with the senior executive officers and the external Auditor, reviews important financial issues and emerging audit, accounting and governance standards which may impact the Trust's financial disclosure and presentation;

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- the Chair of the Audit Committee and other Audit Committee members have direct, open and frank discussions during the year with senior executive officers, other Board members and the external Auditor as required;
- to assist the Audit Committee in fulfilling its responsibilities, it may, at the expense of the Trust and after consultation with the President, engage an outside advisor with special expertise;
- as the external Auditor's responsibility is not only to the Board of Trustees but to the Audit Committee as representatives of the Unitholders, the Audit Committee expects the external Auditor to report to it all material issues arising out of their services or relationship with the Trust; and
- the Audit Committee pre-approves both audit and non-audit services.

The Audit Committee meets quarterly with representatives of the Administrator and the external Auditor to discuss the independence of the external Auditor, the scope of the annual audit and of quarterly reviews, the audit plan, access granted to the accounting system and related internal controls, co-operation of administration in the audit and review function, the internal controls, the financial reporting process and related internal controls, the quality and adequacy of the Trust's or the Administrator's accounting and financial personnel and other resources and financial risk administration so as to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the quarterly and annual financial statements, the Annual Information Form, and the Annual Report including the external Auditor's report and Management's Discussion and Analysis as well as financial press releases. The Audit Committee further reviews the remuneration of and recommends for review by the Board and approval by the Unitholders the re-appointment and terms of engagement of the external Auditor.

The Audit Committee also pre-approves any audit and non-audit services proposed to be provided by the external Auditor. Further information regarding the Audit Committee, including the charter of the Audit Committee, is set out in the Trust's Annual Information Form, and on the Trust's website at www.silverbulliontrust.com. Its content is reviewed annually by the Audit Committee and the Board.

Mr. Heagle chairs the Audit Committee, which is expected to meet at least four times per year. The Audit Committee meets in camera at each regular meeting without any senior executive officers or members of the Administrator present.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of three Trustees, all of whom are Independent Trustees as defined in the Audit Committee Rules.

The Corporate Governance and Nominating Committee is responsible for developing the Trust's approach to governance issues, reviewing the effectiveness of the Board's practices in light of emerging and changing regulatory requirements, assessing and proposing new nominees to the Board, developing informational programs for them, assessing the size, composition and effectiveness of the Board as a whole and of the Committees as well as assessing the contribution of individual Board members. The Corporate Governance and Nominating Committee's responsibility extends to ensuring that the Board can function independently of the Administrator and monitoring the Board's relationship to the senior executive officers and members of the Administrator. It reviews the communications policy of the Trust

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to ensure that communications to Unitholders, regulators and the investing public are factual and timely, are broadly disseminated in accordance with applicable policy and law and to ensure that such communications treat all Unitholders fairly with respect to disclosure. The Corporate Governance and Nominating Committee recommends topics of interest or importance for discussion and/or action by the Board. It annually reviews Board and committee effectiveness including their operations, the timing and adequacy of materials provided to Trustees or committee members, the continuing qualifications and contributions of individual members as well as conflicts of interest and time commitments. It also reviews the adequacy and form of the compensation of Trustees to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective Trustee. The Corporate Governance and Nominating Committee is also responsible for approving the engagement by one or more Trustees of an outside legal or other advisor at the expense of the Trust, should such extraordinary circumstances arise.

The Corporate Governance and Nominating Committee meets independently of the senior executive officers and the Administrator from time to time as necessary. The charter of the Corporate Governance and Nominating Committee is set out on the Trust's website at www.silverbulliontrust.com. Its content is reviewed annually by the Corporate Governance and Nominating Committee and the Board.

Mr. McAvity currently chairs the Corporate Governance and Nominating Committee, which generally meets twice per year. The Corporate Governance and Nominating Committee meets in camera at each regular meeting without the senior executive officers or members of the Administrator present.

Special Committee

Following initial discussions with Polar and upon advice from legal advisors, on March 12, 2015 the Board of Trustees formed the Special Committee, composed entirely of Independent Trustees, for the purpose of considering and responding to all matters related to the Polar Requisition, the Dissident Board Resolutions, the Dissident Redemption Resolution and the Polar Proposal. The Special Committee is composed of Messrs. Heagle, McAvity, Parente and Schwandt.

Other Directorships

As of the date of this Circular, certain of the Trustees and officers of the Trust are also directors, officers or promoters of other issuers that are or were reporting issuers in a Canadian jurisdiction. For a description of such other directorships, see the background information under "Particulars of Matters to be Voted Upon at the Meeting – Election of Trustees" above.

Expectations of Executive Officers

The Board expects the senior executive officers of the Trust to report in a timely, comprehensive and accurate manner on the administration of the Trust generally and on specific matters of significant consequence to the Trust and the Unitholders, to take timely action and decisions consistent with corporate policies in effect, to identify in conjunction with the Board the principal risks facing the Trust and take appropriate measures to assure there is risk oversight and to review on an ongoing basis the strategies of the Trust with a view to facilitating the Board's review of same and their implementation.

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Risk Management

The Board has an ongoing responsibility for risk assessment and oversight of controls as they relate to risks to which the Trust is subject. As indicated in its charter, the Audit Committee reviews, at least annually, the financial risks affecting the Trust, discusses, in concert with the senior executive officers, the extent of the exposure and enquires to ensure that existing policies and controls are in place to identify and control these risks. The Board seeks to develop a good understanding of the significant risks to which the Trust is subject and to ensure that the senior executive officers are maintaining adequate internal controls as well as effectiveness in risk management.

Communications Policy

The objective of the Trust's communication policy is to ensure that its communications to Unitholders, regulators and the investing public are factual, accurate and timely, are broadly disseminated in accordance with applicable policy and law and treat all Unitholders fairly with respect to disclosure. The policy identifies material information in relation to the affairs of the Trust particularly where the information can reasonably be expected to have a significant effect on the market price or value of the securities of the Trust. It also deals with timeliness of communications, use of electronic communications, forward-looking information, quiet periods and other matters. In order to facilitate the effective and timely dissemination of information to all Unitholders and the investment community, the Trust releases its disclosed information through newswire services and mailings to Unitholders.

Unitholder Feedback

The Board encourages communications feedback from Unitholders generally through the executive officers of the Trust. Individual queries, comments or suggestions can be made orally or in writing directly to the President or any other senior executive officer. Unitholder comments, observations from analysts, writers or the public on comments received by such officers are considered and, where appropriate, brought to the attention of the Board.

MANAGEMENT CONTRACTS

The Trust's management-related services, including the services of the President, Chief Executive Officer and Chief Financial Officer are provided at this time by an external third party, the Administrator, through the Administrative Services Agreement. The Administrator's registered address is 55 Broad Leaf Crescent, Ancaster, Ontario, L9G 3P2.

For a description of the material terms of the Administrative Services Agreement, including fees payable to the Administrator thereunder, see "Interests of Certain Persons in Material Transactions".

EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of certain executive officers of the Trust (the "**Named Executive Officers**" or "**NEOs**") and the Trustees for the three most recently completed financial years of the Trust in accordance with Form 51-102F6 – *Statement of Executive Compensation* published by the Canadian Securities Administrators. The Named Executive Officers during the financial year of the Trust ended December 31, 2014 were Mr. J.C. Stefan Spicer (Chairman, President and Chief Executive Officer) and William L. Trench A.C.I.S. (Chief Financial Officer).

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Compensation Discussion and Analysis

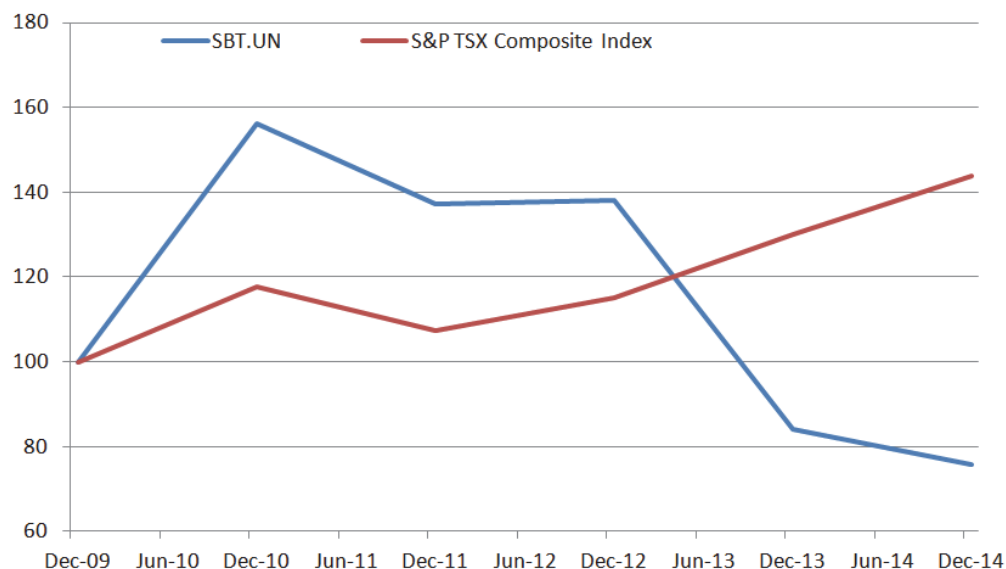
Overview

There are no executive officers of the Trust who receive remuneration from the Trust. The officers and Trustees of the Trust who are also officers and directors of the Administrator receive no remuneration as officers and Trustees of the Trust from the Trust.

However, the Administrator, under the Administrative Services Agreement generally oversees day-to-day administration of the Trust's affairs. While it does not separately remunerate its personnel who also serve as officers and Trustees of the Trust for those services, the Administrator has advised that the Chairman, President and Chief Executive Officer and the Chief Financial Officer of the Trust do receive remuneration from the Administrator, at this time, for services that might be regarded as rendered specifically in their capacities as officers and/or Trustees of the Trust for the fiscal year of the Trust ended December 31, 2014.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total Unitholder return for \$100 invested in Units against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Trust.



The remuneration received by the Chief Executive Officer and Chief Financial Officer of the Trust is indirect and the Trustees are not aware of the specific basis on which such compensation is determined. The Trustees understand that any indirect remuneration received by the Chief Executive Officer and Chief Financial Officer in connection with their services as such to the Trust is not in any way dependent on the performance of the Trust's Units on the Toronto Stock Exchange.

The Trust does not have a formal compensation policy, either with respect to its officers or any other personnel. The sole remuneration paid in respect of any such personnel at this time is comprised of the

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administration fee paid by the Trust to the Administrator. See "Management Contracts" and "Interests of Certain Persons in Material Transactions."

Short-Term and Long-Term Incentive Compensation

The Trustees have not granted and do not foresee granting any options on Units and have not created and do not foresee creating any deferred Units for the benefit of the Trustees or officers of the Trust.

The Trust does not anticipate paying any other long-term incentive awards to the executive officers, including the NEOs. The Trust does not anticipate establishing any supplemental executive retirement plans, pension plans, defined contribution plans, deferred compensation plans or disability benefits for the Trustees or the executive officers, including the NEOs.

Summary Compensation Table

The following table sets forth information concerning the annual and long-term compensation for services rendered to the Trust for the financial years ended December 31, 2014, 2013 and 2012 respectively, in respect of the NEOs during each such financial year.

Name and Principal Position	Period ended December 31	Salary (\$)	Unit-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
(A)	(B)	(C)	(D)	(E)	(F1)	(F2)	(G)	(H)	(I)
J. C. Stefan Spicer (President and CEO)	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William L. Trench (CFO)	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$3,000	\$3,000
	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$3,000	\$3,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil	\$2,625	\$2,625

⁽¹⁾ Represents compensation paid to the applicable NEO by the Administrator, which the Administrator has advised the Trust is in respect of services provided by each NEO that might be regarded as rendered specifically in their capacities as officers of the Trust. The Trust is not aware of the basis upon which the Administrator compensates its personnel, including such personnel that serve in NEO capacities of the Trust, nor is the Trust aware of the basis upon which the Administrator allocates portions of any such compensation to the services such NEOs provide to the Trust.

Named Executive Officer Employment Agreements and Termination and Change of Control Benefits

Neither of the NEOs provide services to the Trust through an employment agreement. The Administrative Services Agreement through which the Administrator provides the services of the NEOs to the Trust at this time does not confer any change of control benefits on the NEOs.

Trustee Remuneration

The Trustees' remuneration provides modest compensation for the risks and responsibilities undertaken by a Trustee of the Trust.

Each of the Trustees, other than the Chairman, President and Chief Executive Officer who is an NEO as well as a director and President of the Administrator, is entitled to an annual fee of US\$10,000 for service as a Trustee and a fee of US\$1,000 per meeting for all Board and committee meetings attended in person or by conference telephone. Independent Trustees who attended at bullion audit inspections were entitled

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to US\$1,000 per inspection. The committee chairs each were entitled to a further annual fee of US\$2,000. However, on October 26, 2010, the Trustees entitled to the foregoing fees agreed, due to the relatively low level of assets of the Trust, to accept fees (subject to quarterly review) at the rate of 25% of that to which each is otherwise entitled as specified above. The Trustees raised the fees payable to 50% of their entitlement effective January 1, 2012. The Trustees returned the fees payable to 25% of their entitlement effective January 1, 2014.

The aggregate fees paid by the Trust to the Trustees, who are not employees of the Administrator, for the fiscal year ended December 31, 2014 was US\$20,000. The following table shows the amount in U.S. dollars received by each such Trustee, other than Trustees who are also NEOs, for the year ended December 31, 2014:

Name	Fees Earned (US\$)	Unit-Based Awards (US\$)	Option-Based Awards (US\$)	Non-Equity Incentive Plan Compensation (US\$)	Pension Value (US\$)	All Other Compensation (US\$)	Total (US\$)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Bruce D. Heagle	\$5,500	Nil	Nil	Nil	Nil	Nil	\$5,500
Ian M. T. McAvity	\$5,000	Nil	Nil	Nil	Nil	Nil	\$5,000
Michael A. Parente	\$5,000	Nil	Nil	Nil	Nil	Nil	\$5,000
Jason A. Schwandt	\$4,500	Nil	Nil	Nil	Nil	Nil	\$4,500

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

Administrative Services Agreement

The Trust and the Administrator entered into the Administrative Services Agreement on June 8, 2009. The primary administrative responsibilities of the Administrator under the Administrative Services Agreement are to:

- (i) keep full and complete financial, accounting and other records reflecting the financial position of the Trust;
- (ii) report to the Trust, its Trustees and to its Unitholders, on at least a weekly basis, as to the net asset value of each Unit of the Trust;
- (iii) prepare reports to Unitholders, regulatory filing material and other reports to the Trustees as may be reasonably requested from time to time;
- (iv) furnish office facilities, services and supplies and generally oversee with its staff and independent contractors the administration of the Trust;
- (v) compensate the officers of the Trust for their services, where applicable;
- (vi) have the right, as a condition of the effectiveness thereof, to approve any material changes in the Declaration of Trust that could affect the rights of the Administrator to the performance of its duties thereunder;

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- (vii) nominate two of the Trustees of the Trust to be elected at any meeting of Unitholders of the Trust; and
- (vii) fulfill its responsibilities in a manner that does not disable the Trust's ability to maintain the qualifying status of the Units under Canadian legislation.

The Administrative Services Agreement is for an initial term of 20 years until June 30, 2029, and will continue in force from year to year thereafter unless terminated by a majority of the Independent Trustees and the Unitholders of the Trust.

Under the terms of the Administrative Services Agreement, any directors, officers or employees of the Administrator who are also officers of the Trust, or who have been appointed as Trustees by the Administrator shall be paid by the Administrator for serving in such capacity and shall not receive any remuneration from the Trust therefor. The Trust is responsible for paying all costs and expenses incurred in connection with its affairs except those that are expressly to be borne by the Administrator as referred to above. The Administrator has the right to approve any changes in the Declaration of Trust that could affect the rights of the Administrator or the performance of its duties under the Administrative Services Agreement.

In consideration of the Administrator carrying out its duties and obligations under the terms of the Administrative Services Agreement, the Trust is required to pay to the Administrator a declining fee, on a monthly basis, equal to 0.40% per annum for the first US\$100,000,000 of the Trust's total assets, 0.30% per annum for any excess over US\$100,000,000 up to US\$200,000,000 and 0.20% per annum for any excess over US\$200,000,000 of total assets as at the month-end Valuation Date (defined as the last business day of each month on which the Trust's net asset value is determined). However, on October 26, 2009, the Administrator agreed, due to the relatively low level of assets in the Trust, to accept (subject to quarterly review), fees at the rate of 25% of those to which it is entitled.

Fees, inclusive of sales taxes, paid to the Administrator in this regard under the Administrative Services Agreement for the year ended December 31, 2014 were US\$67,625 compared to US\$84,893 for the year ended December 31, 2013.

ADDITIONAL INFORMATION

Additional information relating to the Trust may be found on the Trust's website at www.silverbulliontrust.com and on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Trust's profile. Financial information is contained in the Trust's audited annual financial statements and Management's Discussion and Analysis for the year ended December 31, 2014. Inquiries and requests for copies of the Trust's audited annual financial statements and Management's Discussion and Analysis may be directed to John S. Elder, Secretary at 55 Broad Leaf Crescent, Ancaster, Ontario L9G 3P2, or by telephone at (905) 304-4653.

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TRUSTEES' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Trustees of the Trust.

DATED this 24th day of April, 2015.

**BY ORDER OF THE BOARD OF
TRUSTEES OF SILVER BULLION TRUST**

A handwritten signature in black ink, appearing to read 'J. Elder', with a horizontal line underneath it.

John S. Elder, Q.C.
Secretary

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APPENDIX "A"
ADVANCE NOTICE RESOLUTION

BE IT RESOLVED THAT:

1. the Advance Notice Rule of Silver Bullion Trust adopted by the Board of Trustees on April 22, 2015 and described in, and appended to, the Management Information Circular of Silver Bullion Trust dated April 24, 2015 be, and the same is hereby, ratified and confirmed as the advance notice policy of Silver Bullion Trust with effect as of April 22, 2015; and
2. any one officer or any one Trustee of Silver Bullion Trust be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of Silver Bullion Trust, to execute or cause to be executed, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by Silver Bullion Trust, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

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APPENDIX "B"

ADVANCE NOTICE RULE

1. Background

Pursuant to Subsection 9.2(p) of the Amended and Restated Declaration of Trust dated July 9, 2009 (the "**DOT**"), the Trustees (the "**Trustees**") of Silver Bullion Trust (the "**Trust**") are permitted to enact from time to time without the approval or confirmation of the Unitholders of the Trust (the "**Unitholders**") binding rules and procedures not inconsistent with the DOT containing provisions relating to the Trust and the conduct of affairs of the Trust. Such power and authority may be exercised by the Trustees in such manner and upon such terms and conditions as they may from time to time determine proper.

In accordance with such power and authority, the Trustees have determined that it is in the best interests of the Trust and its Unitholders to enact this Advance Notice Rule of the Trust (the "**Rule**").

2. Purpose of Rule

The purpose of this Rule is to provide a transparent process for Unitholders to follow for the nomination of Trustees and to ensure that all Unitholders receive adequate notice of the nominations to be considered at a meeting of Unitholders and can thereby exercise their voting rights in an informed manner.

3. Definitions

For the purposes of this Rule, unless otherwise defined herein, the following terms shall have the following meaning:

"**Administrator**" has the meaning specified in Section 1.1 of the DOT;

"**Applicable Securities Laws**" means all applicable securities laws in each of the Provinces of Canada and all rules, regulations, policy statements, instruments, notices and blanket orders or rulings thereunder;

"**Business Day**" has the meaning specified in Section 1.1 of the DOT;

"**NI 54-101**" means National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer, as amended, supplemented, restated or replaced from time to time;

"**Nominating Unitholder**" has the meaning specified in Subsection 4(c) below;

"**notice-and-access**" has the meaning specified in NI 54-101;

"**proxy-related materials**" has the meaning specified in NI 54-101;

"**Public Announcement**" means disclosure by the Trust in a press release reported by a national news service in Canada, or in a document publicly filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com;

"**Register**" has the meaning specified in Section 1.1 of the DOT; and

"**Units**" has the meaning specified in Section 1.1 of the DOT.

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4. Nomination of Trustees

Subject to Section 8.1 of the DOT and the right of the Administrator to nominate and elect up to two Trustees as described in Section 7.1 of the DOT, only persons who are nominated in accordance with this Rule shall be eligible for election as Trustees of the Trust. Nominations of persons for election to the Board of Trustees may be made at any annual meeting of Unitholders, or at any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees:

- (a) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting authorized by them;
- (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of Unitholders made in accordance with the DOT; or
- (c) by any person (a "**Nominating Unitholder**") who (A) at the close of business on the date of giving of the notice provided for in Section 5 below and at the close of business on the record date for notice of such meeting, is entered in the Register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section 4.

5. Timely Notice

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in the proper form to the Trustees in the manner prescribed by this Rule. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Toronto time) on a day which is a Business Day, then such notice shall be deemed to have been made on the subsequent day that is a Business Day.
- (b) To be timely, a Nominating Unitholder's notice to the Trustees must be made:
 - (i) in the case of the annual and special meeting of Unitholders called for May 20, 2015, not less than 10 days after the first Public Announcement that this Rule has been adopted by the Trustees of the Trust;
 - (ii) subject to clauses (i) and (iv), in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of such annual meeting; provided, however, that in the event that such annual meeting is to be held on a date which is less than 50 days after the date on which the first Public Announcement of the date of such annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day thereafter;
 - (iii) subject to clauses (i) and (iv), in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for any other purposes), not later than the close of business on the 15th day following the day on which the first Public Announcement of the date of such special meeting of Unitholders was made; and

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- (iv) in the case of an annual or special meeting of Unitholders where notice-and-access is used for delivery of proxy-related materials, not less than 40 days prior to the date of such annual or special meeting.

The Trustees may, in their sole discretion, amend the time periods for the giving of a Nominating Unitholder's notice set forth above in order to comply with changes to applicable laws or recommended best practices.

6. Proper Form of Timely Notice

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth:

- (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, citizenship, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the number of Units which are controlled or which are owned beneficially, directly or indirectly, or of record by the person as of the record date for notice of the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to Applicable Securities Laws; and
- (b) as to the Nominating Unitholder (which, for the purpose of this Subsection 6(b), includes the Nominating Unitholder's affiliates): (i) the Units which are controlled or directed or which are owned beneficially, directly or indirectly, or of record by the Nominating Unitholder as of the record date for notice of the meeting of Unitholders (if such date shall have then been made publicly available and shall have occurred) and as of the date of such notice; (ii) full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units; (iii) full particulars of any derivatives, hedges or other economic or voting interests (including short positions) relating to the Nominating Unitholder's interest in Units; and (iv) any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to Applicable Securities Laws.

In addition, to be considered timely and in proper written form, a Nominating Unitholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

7. General

- (a) Nothing in this Rule shall be deemed to preclude discussion by a Unitholder (as distinct from the nomination of Trustees) at a meeting of Unitholders of any matter in respect of which such Unitholder would have been entitled to vote at the meeting under the terms of the DOT. The Chairman of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any nominee is not in compliance with the foregoing provisions, to declare that such defective nomination shall be disregarded.

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- (b) Notwithstanding the foregoing, the Board of Trustees may, in their sole discretion, waive any requirement in this Rule.

Authorized and approved this 22nd day of April, 2015
by the Trustees of Silver Bullion Trust

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APPENDIX "C"
DISSIDENT BOARD RESOLUTIONS

1. *In furtherance of the resolutions set forth at items 2 and 3 below, pass the following ordinary resolution of unitholders fixing the number of trustees of the Trust at five (5):*

BE IT RESOLVED THAT:

1. notwithstanding the general authority granted pursuant to Section 7.1 of the amended and restated declaration of trust of Silver Bullion Trust (the "Trust") governing the business and affairs of the Trust (the "Declaration of Trust") authorizing the trustees of the Trust (the "Trustees") to fix the number of Trustees of the Trust from time to time within the minimum and maximum specified in the Declaration of Trust, the number of Trustees of the Trust is hereby fixed at five;
2. after the close of the special meeting of Unitholders of the Trust at which this resolution is passed, the Trustees hereby remain authorized to change the number of Trustees from time to time within the minimum and maximum number and other limitations specified in the Declaration of Trust; and
3. any Trustee or officer of the Trust is hereby authorized to enter into, execute or cause to be executed on behalf of the Trust or to prepare and deliver or cause to be prepared and delivered all such documents, agreements and instruments, or cause to be done all such other acts and things, as such Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.

2. *Pass the following ordinary resolution of unitholders removing the incumbent trustees from office:*

BE IT RESOLVED THAT:

1. pursuant to Section 8.6 of the Amended and Restated Declaration of Trust of Silver Bullion Trust (the "Trust") dated July 9, 2009 (the "Declaration of Trust"), Messrs. Bruce D. Heagle (or his appointed successor(s)), Ian M.T. McAvity (or his appointed successor(s)), Michael A. Parente (or his appointed successor(s)) and Jason A. Schwandt (or his appointed successor(s)) be and are hereby removed from office pending the filling of the vacancies on the Board of Trustees created thereby by election of Trustees at the Annual and Special Meeting of Unitholders of the Trust to be held on May 20, 2015, or any adjournment or postponement thereof, in accordance with the procedures set out in the Management Information Circular of the Trust dated April 24, 2015 and in accordance with the Declaration of Trust; and
2. any Trustee or officer of the Trust is hereby authorized to enter into, execute or cause to be executed on behalf of the Trust or to prepare and deliver or cause to be prepared and delivered all such documents, agreements and instruments, or cause to be done all such other acts and things, as such Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be

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conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.

3. *Provided that the foregoing resolution concerning the removal of the incumbent trustees from office is approved, pass ordinary resolutions to fill the resulting vacancies by electing new trustees to the Board, as follows:*

BE IT RESOLVED THAT:

1. pursuant to Section 11.2, Section 7.1 and Section 8.7 of the Amended and Restated Declaration of Trust of Silver Bullion Trust (the "Trust") dated July 9, 2009 (the "Declaration of Trust"), Messrs. Robert A. Ledohey, Stephen T. Moore, Andrew J. Papierz, J.C. Stefan Spicer and Krystyna S. Bylinowski be and are hereby elected to serve as Trustees of the Trust until the next annual meeting of Unitholders of the Trust or until their successor are elected or appointed in accordance with the Declaration of Trust; and
2. any Trustee or officer of the Trust is hereby authorized to enter into, execute or cause to be executed on behalf of the Trust or to prepare and deliver or cause to be prepared and delivered all such documents, agreements and instruments, or cause to be done all such other acts and things, as such Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.

Relevant information concerning each of the Polar nominees is set forth in Exhibit 1 to this Appendix "C", which Exhibit 1 is incorporated by reference herein. Selected biographical information for Ms. Bylinowski is set forth in Exhibit 2 to this Appendix "C", which Exhibit 2 is incorporated by reference herein.

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EXHIBIT 1 to Appendix "C"

The table below sets out the name, province or state and country of residence, principal occupation, business or employment within the five preceding years, and the number of Units beneficially owned, or controlled or directed, directly or indirectly, by each dissident nominee of Polar.

Name, Province or State and Country of Residence	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years	Units Beneficially Owned or Controlled or Directed (Directly or Indirectly)
Robert A. Lehodey Alberta, Canada	Partner at Osler Hoskin & Harcourt LLP, legal services.	Nil
Stephen T. Moore Ontario, Canada	Managing Director at Newhaven Asset Management, Inc., an investment firm.	Nil
Andrew J. Papierz Ontario, Canada	Retired. Former Executive Managing Director, Financial Products Group at BMO Nesbitt Burns Inc., from 2000-2012.	Nil

Except as provided below, to the knowledge of Polar, no Polar Dissident Nominee is, at the date hereof, or has been, within 10 years before the date hereof: (a) a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (each, an "**order**"), in each case that was issued while the Dissident Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the Polar Dissident Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company that, while such Polar Dissident Nominee was acting in that capacity, or within a year of such Polar Dissident Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Polar Dissident Nominee.

Mr. Stephen T. Moore, was a trustee of Impax Energy Services Income Trust ("**Impax**") from June 2006 to January 2010. Impax filed for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) in December 2009.

To the knowledge of Polar, as at the date hereof, no Polar Dissident Nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory

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authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Polar Dissident Nominee.

None of Polar or, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the requisitioned meeting, other than the election of trustees to the board of the Trust or, if applicable, the appointment of the auditors of the Trust.

Neither the Administrator, the Corporate Governance and Nominating Committee nor the Board of Trustees take any responsibility for the information contained in this Appendix "C" (with the exception of Exhibit 2 to this Appendix "C"). It has been appended to the Circular in substantially the form it was received by the Board in accordance with the Polar Requisition and its contents have not been independently verified. The individual dissident nominees have NOT been nominated by the Trust and have not undergone any review in accordance with the policies of the Corporate Governance and Nominating Committee.

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EXHIBIT 2 to Appendix "C"

Name, Province or State and Country of Residence	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years	Units Beneficially Owned or Controlled or Directed (Directly or Indirectly)
Krystyna S. Bylinowski Ancaster, Ontario * Administrator Nominee	Treasurer, Central GoldTrust. Treasurer, Silver Bullion Trust.	Nil

Selected Biographical Information

Krystyna S. Bylinowski, Age 52

Krystyna S. Bylinowski has been the Treasurer of Central GoldTrust since 2003, the Units of which are listed on the Toronto Stock Exchange and the NYSE MKT. Since 2003 she has been the Treasurer of Central Gold Managers Inc. Mrs. Bylinowski has also been the Treasurer of Silver Bullion Trust since its inception and the Treasurer, Secretary and a Director of Silver Administrators Ltd. since June of 2009. She has over 12 years of experience administering bullion investments.

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APPENDIX "D"
DISSIDENT REDEMPTION RESOLUTION

BE IT RESOLVED THAT:

1. Article 6 of the Amended and Restated Declaration of Trust of Silver Bullion Trust (the "Trust") dated July 9, 2009 (the "Declaration of Trust"), shall be amended and restated according to Exhibit 1 attached hereto;
2. the Trustees are hereby authorized and directed to make any definitional, conforming or consequential changes to the Declaration of Trust (or to enter into any supplemental indentures) that are necessary to facilitate the redemption of Units by Unitholders as set forth in this special resolution and to ensure that the Trust maintains its current status as a "mutual fund trust" under the *Income Tax Act* (Canada) as a result of this special resolution; and
3. any Trustee or officer of the Trust is hereby authorized to enter into, execute or cause to be executed on behalf of the Trust or to prepare and deliver or cause to be prepared and delivered all such other documents, agreements and instruments, or cause to be done all such other acts and things, as such Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the this special resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.

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EXHIBIT 1 to APPENDIX "D"

The Declaration of Trust shall be amended and restated as follows:

(A) to add a new subsection 6.2(4) that shall state as follows:

Subsection 6.2(4):

Notwithstanding any other provision of this Article 6, Units may be redeemed once per month, with such redemption processed on the last Business Day of each month (each a "Monthly Redemption Date").

Upon the receipt by the Transfer Agent of a written notice to redeem Units (a "Redemption Notice") on or before the 15th day of each month (or, if not a Business Day, on the next succeeding Business Day) in accordance with Subsection 6.2(1) or Subsection 6.2(2), the Unitholder of the Units tendered for redemption shall be entitled to receive:

- (a) cash, in the case of a Redemption Notice delivered in accordance with Section 6.3 requesting the Unitholder receive redemption proceeds in the form of cash; or*
- (b) physical silver bullion, in the case of a Redemption Notice delivered in accordance with Section 6.4 requesting a redemption in the form of physical silver bullion.*

Any Redemption Notice not received on or before the 15th day of the month will be processed on the Monthly Redemption Date of the month following the month in which such Redemption Notice was received.

A Unitholder shall be deemed to have irrevocably "surrendered for redemption" its Units for purposes of this Article 6 once a Redemption Notice is accepted by the Trust and is determined, acting reasonably and in good faith together with the Transfer Agent, to be in compliance with all applicable rules and procedures established by the Trust to effect such redemption.

(B) to delete subsection 6.3(1) in its entirety and replace it with a new subsection 6.3(1) that shall state as follows:

Subsection 6.3(1):

The Unitholder of the Units tendered for cash redemption in accordance with Section 6.2 shall be entitled to receive an amount per Unit (the "Redemption Price") equal to 95% of the lesser of:

- (a) the volume-weighted average trading price of the Units traded on the Toronto Stock Exchange for the last five (5) Business Days of the month in which the Redemption Notice is processed; and*

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(b) *the Net Asset Value per Unit of the Units tendered for redemption as determined on the applicable Monthly Redemption Date.*

(C) to add a new section 6.4, such that the current sections 6.4 (Cancellation of all Redeemed Units) and 6.5 (Mechanics of Issue and Redemption) of the Declaration of Trust will become sections 6.5 and 6.6, respectively, and the new section 6.4 shall state as follows:

Section 6.4 Physical Silver Bullion Redemption

(1) The Unitholder of the Units tendered for physical silver bullion redemption in accordance with Section 6.2 shall be entitled to receive physical silver bullion in an amount per Unit (the "Bullion Redemption Price") equal to 100% of the Net Asset Value per Unit of the Units tendered for redemption as determined on the applicable Monthly Redemption Date.

(2) Redemption requests made pursuant to this Section 6.4 must be for amounts that are at least equivalent to the value of ten (10) London Bullion Market Association recognized Good Delivery international bars, plus applicable expenses as set out in Subsection (4) hereof. Any fractional amount of redemption proceeds in excess of ten (10) London Bullion Market Association recognized Good Delivery international bars, or an integral multiple of one (1) bar in excess thereof, will be paid in cash at a rate equal to 100% of the Net Asset Value per Unit of the Units tendered for redemption as determined on the applicable Monthly Redemption Date.

(3) The Bullion Redemption Price payable in respect of the Units surrendered for physical silver bullion redemption during any calendar month shall be satisfied by way of physical silver bullion, and, where required by Subsection (2) above, cash, no later than ten (10) Business Days following the Monthly Redemption Date.

(4) The redeeming Unitholder shall be liable for all industry standard costs actually incurred by the Trust to effect the redemption of the Units and delivery of physical silver bullion, including storage and in-and-out fees charged to the Trust. For the avoidance of doubt, no person that operates on a non-arm's length basis with the Trust, including the Administrator, shall be entitled to any payment from the Unitholder for its services as a direct result of a physical silver bullion redemption. Current costs associated with the delivery of physical silver bullion may be obtained from the Trust or the Transfer Agent. Physical silver bullion to be paid to a Unitholder as a result of a redemption of Units will be delivered by armoured transportation service carrier pursuant to delivery instructions provided in the Redemption Notice in accordance with the procedures established by the Trust. The armoured transportation service carrier will be engaged by, or on behalf of, the redeeming Unitholder at the expense of the redeeming Unitholder. The armoured transportation service carrier will receive the physical silver bullion in connection with a redemption of Units no later than ten (10) Business Days following the Monthly Redemption Date. Upon the receipt of the physical silver bullion representing the redeemed Units by the armoured transportation carrier, the Trust shall be discharged from all liability to the redeeming Unitholder in respect of the redeemed Units. Neither the Trust nor the Canadian chartered bank custodian of the physical silver bullion will bear the risk of loss of, and damage to the physical silver bullion once placed with the armoured transportation carrier. After the physical silver bullion has been placed with the armoured transportation service carrier, the Unitholder will not have recourse against the Trust or the Canadian chartered bank custodian of the physical silver bullion.

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(5) Any applicable cash payment made pursuant to Subsection (2) above shall be conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the redeeming Unitholder (unless such cheque is dishonoured upon presentment) or upon the receipt of a wire transfer to the redeeming Unitholder, as directed in the Redemption Notice. Upon such cash payment, the Trust shall be discharged from all liability to the redeeming Unitholder in respect of the redeemed Units, except to replace any cheque which is lost or destroyed. The Transfer Agent may issue a replacement cheque if it is satisfied that the original cheque has not been received or has been lost or destroyed, upon being furnished with such evidence of loss, indemnity or other documentation in connection therewith that the Transfer Agent in its discretion may consider necessary."

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APPENDIX "E"
MANDATE OF THE BOARD OF TRUSTEES

1. Primary Mandate

The Trustees, who may also be called the "**Board of Trustees**", have a collective responsibility for supervision of administration of the affairs of SILVER BULLION TRUST (the "**Trust**") consistent with their powers and obligations under the Amended and Restated Declaration of Trust dated the 9th day of July, 2009, as the same may be further amended and/or restated from time to time, (collectively, the "**Governing Declaration**") and other statutory and legal requirements generally applicable to trustees of a self-governing trust that is also a reporting issuer for securities purposes in Canada and is listed on the Toronto Stock Exchange.

The prime stewardship responsibility of the Board of Trustees is to ensure the viability of the Trust and its function as a passive holder of silver bullion and to ensure that it is managed in the interest of the Unitholders generally.

2. Composition and Organization of Trustees

A. Selection of Trustees

The Corporate Governance and Nominating Committee of the Trustees periodically reviews the desired size and composition of the Board of Trustees within the context of the Governing Declaration, the need for recruitment of new Trustees and the appropriateness of the competencies, skills and experience of nominees. After seeking input and suggestions, the Committee assesses any proposal for a new Trustee prior to the proposal being submitted to the Board of Trustees and, in turn, to Unitholders.

All new Trustees are briefed on the structure of the Trust, its activities and administration, its financial affairs, the securities and regulatory environment, reporting requirements and objectives as a whole. A Trustees' Manual is provided to each new Trustee.

B. Membership Criteria

Trustees must have qualifications equivalent to those prescribed for directors under applicable corporate and securities law of the Province of Ontario. They should have an appropriate mix of skills, knowledge and experience. Trustees selected should be able to commit sufficient time for the activities of the Board of Trustees.

All Trustees are required to act honestly and in good faith and with loyalty in the interests of the Trust.

C. Independence

A majority of the Trustees shall be composed of Trustees who, in the reasonable opinion of the Board of Trustees, are the equivalent of "independent" under the provisions of National Instrument 58-101 of the Canadian Securities Administrators.

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D. Chairman

The Trustees shall, until otherwise determined, appoint a Chairman from among the Trustees. In the event that the Chairman is an officer of the Trust or of Silver Administrators Ltd. (the "**Administrator**"), the Trustees shall also appoint a Lead Trustee from among the non-administrative or independent Trustees to Chair the Board of Trustees at meetings where the administrative personnel are absent and to assume other appropriate functions equivalent to the role of a Lead Director in a corporate context.

E. Retirement Age

A Trustee who has attained the age of 78 years prior to the annual meeting of Unitholders in any year, shall retire from office at such annual meeting, except as decided otherwise by the Board of Trustees.

F. Term of Office

Subject to Section 8.2 of the Governing Declaration, the Trustees are elected by the Unitholders at each annual meeting and the term of office expires at the next annual meeting of the Unitholders or when a successor is elected.

3. Meetings of the Trustees

- (a) In order to carry out its mandate, the Board of Trustees holds regular meetings on a quarterly basis and additional meetings as required to consider particular issues or strategic planning or deal with specific matters between quarterly meetings whenever appropriate;
- (b) The Board of Trustees is the master of its own policies, procedures, practices and deliberations concerning the affairs of the Trust, subject to the provisions of the Governing Declaration;
- (c) Distribution of materials, financial and other information that is important to the Trustees' understanding of agenda items is generally effected in advance of a meeting. The Trustees invite members of the Administrator from time to time to attend part of Board meetings so as to allow Trustees to gain additional understanding and insight into the administration of the Trust;
- (d) The Trustees regularly meet in camera without any member of the Administrator present to ensure free and open discussion and communication among the non-administrative Trustees.

4. Implementation

In order to carry out such responsibilities, the Trustees:

- (a) approve, and oversee the implementation of the Trust's strategy and plan of affairs including the stewardship of the Trust, entering into of administrative, advisory, safekeeping, transfer agency and other service agreements, as well as any significant divestures of assets by the Trust;
- (b) review, with input from the Audit Committee, the financial performance and financial reporting of the Trust and assess the scope, implementation and integrity of the Trust and its internal control systems;

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- (c) identify and assess the principal risks of the administration of the Trust;
- (d) oversee the public communications policy and shareholder relations activities of the Trust;
- (e) appoint the Officers of the Trust, ensuring that they are of the calibre required for their roles and planning their succession as appropriate from time to time;
- (f) review and approve, on an annual basis, the overall strategy of the Trust, all of which is developed in the first instance for consideration by the President and Chief Executive Officer;
- (g) review the performance of the Senior Officers of the Trust and of the Administrator in line with policies in effect from time to time and the Trust's strategy and objectives;
- (h) assess and select nominees for election as Trustees;
- (i) ensure that new Trustees are provided with adequate orientation;
- (j) develop, through the Corporate Governance and Nominating Committee, the Trust's approach to corporate governance issues;
- (k) establish and oversee sub-committees of the Trustees as appropriate, approve their mandates and approve the compensation of their members; and
- (l) assess the performance of the Trustees.

In carrying out its responsibilities, the Trustees shall adopt a code of conduct and ethics to govern behaviour of Officers of the Trust and officers and employees of the Administrator. The Trustees shall monitor the compliance with such code and, should any material waivers be granted to Trustees or officers of the Trust, the Trustees should as a matter of policy cause this to be disclosed in the next ensuing quarterly or annual report on the finances of the Trust.

Trustees shall all be encouraged to attend in person meetings wherever feasible. Attendance at meetings shall be recorded.

Each of the Trustees is expected to agree to an evaluation of his or her individual performance as well as to a review of the collective performance of the Trustees as a whole. Trustees shall be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of the Trust and its Unitholders generally.

5. Resources

The Trustees shall have the authority to retain legal, accounting and other consultants to advise them. The Trustees may request any Officer of the Trust or any officer or employee of the Administrator or its outside counsel or the external/internal auditors to attend any meeting of the Trustees or to meet with any members of, or consultants to, the Trustees.

An individual Trustee shall be permitted to engage an outside advisor at the expense of the Trust where, for example, he or she is placed in a conflict position through activities of the Trust, but any such

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engagement shall be subject to the prior approval of the Trustees or the Chairman of the Corporate Governance and Nominating Committee.

Approved as revised: July 22, 2014

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HOW TO CAST YOUR VOTE IN SUPPORT OF YOUR CURRENT BOARD

Time is running short. We urge you to protect your investment by not letting the offshore hedge fund take over your silver. Vote only your **WHITE** proxy form today.

In order to ensure that your proxy is received in time for Silver Bullion Trust's Annual & Special Meeting to be held on Wednesday, May 20, 2015, we recommend that you vote in the following ways as soon as possible.

VOTING METHOD	BENEFICIAL UNITHOLDERS If your Units are held with a broker, bank or other intermediary	REGISTERED UNITHOLDERS If your Units are held in your name and represented by a physical certificate
INTERNET	Visit www.proxyvote.com and enter your 16 digit control number located on the enclosed <u>WHITE</u> voting instruction form	N/A
TELEPHONE	Canadian: Call 1-800-474-7493 U.S.: Call 1-800-454-8683 and provide your 16 digit control number located on the enclosed <u>WHITE</u> voting instruction form	N/A
FACSIMILE	Canadian: Fax your <u>WHITE</u> voting instruction form to or toll free to 905-507-7793 or toll free to 1-866-623-5305 in order to ensure that your vote is received before the deadline. U.S.: N/A	Toll Free: 1-866-781-3111 / 416-368-2502
MAIL	N/A	CST Trust Company P.O. Box 721 Agincourt, ON M1S 0A1

If you have any questions or require any assistance in executing your **WHITE** proxy or voting instruction form,

please call D.F. King at:

D.F. KING
A CSTOne Company

North American Toll Free Number: 1-800-398-2816

Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301

Email: inquiries@dfking.com

North American Toll Free Facsimile: 1-888-509-5907

Facsimile: 1-647-351-3176

For up to date information please visit the website: www.silverbulliontrust.com

HOW TO VOTE YOUR WHITE PROXY OR VOTING INSTRUCTION FORM AS RECOMMENDED BY YOUR TRUSTEES

White Form of Proxy – Sample

WHITE PROXY

WHITE PROXY

SILVER BULLION TRUST ANNUAL AND SPECIAL MEETING OF UNITHOLDERS WHITE FORM OF PROXY

The undersigned holder of trust units ("Units") of SILVER BULLION TRUST (the "Trust") hereby appoints Bruce D. Heagle of Ancaster, Ontario, or failing him, Michael A. Parente of Hamilton, Ontario, or instead of either of the foregoing, of as proxyholder of the undersigned to attend and act for and on behalf of the undersigned at the Annual and Special Meeting of Unitholders of the Trust (the "Meeting") to be held at the Toronto offices of Bennett Jones LLP on Wednesday, the 20th day of May, 2015 at the hour of 11:00 a.m. (Toronto time) and at any adjournment or postponement thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the Meeting or such adjournment or postponement thereof, provided, however, that without otherwise limiting the generality of the authorization and power hereby conferred, the proxyholder named above is specifically directed, on any ballot that may be called for, to vote for, to vote against or to withhold from voting, the Units registered in the name of each of the undersigned as specified below.

This WHITE proxy form should be read in conjunction with the accompanying Management Information Circular of the Trust dated April 24, 2015 (the "Circular").

The voting recommendations of the Trust are indicated by a **darkened box**.

1. In respect of the re-appointment of Ernst & Young LLP, Chartered Accountants, as external auditor of the Trust and authorizing the Board of Trustees to fix their remuneration:

FOR ☒ WITHHOLD ☐

2. In respect of the election of five Trustees:

Bruce D. Heagle
Ian M.T. McAvity
Michael A. Parente
Jason A. Schwandt
J.C. Stefan Spicer

FOR ☒ WITHHOLD ☐

3. In respect of an ordinary resolution, substantially in the form attached to the Circular as Appendix "A" ratifying and confirming the Advance Notice Rule (as defined in the Circular):

FOR ☒ AGAINST ☐

4. In respect of a series of three related ordinary resolutions (the "Dissident Board Resolutions") seeking, among other things, to remove the Trust's current independent Trustees and, if successful, to fill the vacancies in the Board with nominees of Polar Securities Inc., all as described in, and in substantially the form attached as Appendix "C" to, the Circular:

A. Fixing the size of the dissident board at five
B. Removal of incumbent independent Trustees
C. Election of dissident-controlled board (consisting of dissident nominees R.A. Lehoudey, S.T. Moore and A.J. Papierz, and Administrator nominees J.C.S. Spicer and K. Bylinowski)

FOR ☐ AGAINST ☒

5. In respect of the Dissident Redemption Resolution, as described in, and in substantially the form attached as Appendix "D" to, the Circular:

FOR ☐ AGAINST ☒

Voting Instruction Form – Sample

VOTING INSTRUCTION FORM

SILVER BULLION TRUST (THE "TRUST")

MEETING TYPE: ANNUAL AND SPECIAL MEETING
MEETING DATE: WEDNESDAY, MAY 20, 2015 AT 11:00 AM EDT
RECORD DATE: MARCH 23, 2015
PROXY DEPOSIT DATE: MAY 15, 2015
ACCOUNT NO: 123456789

CUID: T123 C55
CUSIP: 234567TES

78

78

10852138

CONTROL NO.: → 1234 5678 9012 3456

022222100 111000000 000000000 000007002

STEP 2

APPOINT A PROXY (OPTIONAL)

APPOINTEE(S): BRUCE D. HEAGLE, OR FAILING HIM, MICHAEL A. PARENTE

IF YOU WISH TO ATTEND THE MEETING OR DESIGNATE ANOTHER PERSON TO ATTEND, VOTE AND ACT ON YOUR BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, OTHER THAN THE PERSON(S) SPECIFIED ABOVE, PRINT YOUR NAME OR THE NAME OF THE OTHER PERSON ATTENDING THE MEETING IN THE SPACE PROVIDED HEREIN. UNLESS YOU INSTRUCT OTHERWISE, THE PERSON WHOSE NAME IS WRITTEN IN THIS SPACE WILL HAVE FULL AUTHORITY TO ATTEND, VOTE AND OTHERWISE ACT IN RESPECT OF ALL MATTERS THAT MAY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, EVEN IF THESE MATTERS ARE NOT SET OUT IN THE FORM OR THE CIRCULAR.

PLEASE PRINT APPOINTEE NAME ABOVE

STEP 3

COMPLETE YOUR VOTING DIRECTIONS

ITEM(S): VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT OVER THE BOXES (FILL IN ONLY ONE BOX: ☒ PER ITEM IN BLACK OR BLUE INK)

01 IN RESPECT OF THE RE-APPOINTMENT OF ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS, AS EXTERNAL AUDITOR OF THE TRUST AND AUTHORIZING THE BOARD OF TRUSTEES TO FIX THEIR REMUNERATION:

FOR ☒ WITHHOLD ☐

2A IN RESPECT OF THE ELECTION OF FIVE TRUSTEES:

FOR ☒ WITHHOLD ☐

BRUCE D. HEAGLE

FOR ☒ WITHHOLD ☐

IAN M.T. MCAVITY

FOR ☒ WITHHOLD ☐

2C MICHAEL A. PARENTE

FOR ☒ WITHHOLD ☐

2D JASON A. SCHWANDT

FOR ☒ WITHHOLD ☐

2E J.C. STEFAN SPICER

FOR ☒ WITHHOLD ☐

03 IN RESPECT OF AN ORDINARY RESOLUTION, SUBSTANTIALLY IN THE FORM ATTACHED TO THE CIRCULAR AS APPENDIX "A" RATIFYING AND CONFIRMING THE ADVANCE NOTICE RULE (AS DEFINED IN THE CIRCULAR):

FOR ☒ AGAINST ☐

IN RESPECT OF A SERIES OF THREE RELATED ORDINARY RESOLUTIONS (THE "DISSIDENT BOARD RESOLUTIONS") SEEKING, AMONG OTHER THINGS, TO REMOVE THE TRUST'S CURRENT INDEPENDENT TRUSTEES AND, IF SUCCESSFUL, TO FILL THE VACANCIES IN THE BOARD WITH NOMINEES OF POLAR SECURITIES INC., ALL AS DESCRIBED IN, AND IN SUBSTANTIALLY THE FORM ATTACHED AS APPENDIX "C" TO, THE CIRCULAR:

4A FIXING THE SIZE OF THE DISSIDENT BOARD AT FIVE

FOR ☐ AGAINST ☒

4B REMOVAL OF INCUMBENT INDEPENDENT TRUSTEES

FOR ☐ AGAINST ☒

4C ELECTION OF DISSIDENT-CONTROLLED BOARD (CONSISTING OF DISSIDENT NOMINEES R.A. LEHOUDY, S.T. MOORE AND A.J. PAPIERZ, AND ADMINISTRATOR NOMINEES J.C.S. SPICER AND K. BYLINOWSKI)

FOR ☐ AGAINST ☒

05 IN RESPECT OF THE DISSIDENT REDEMPTION RESOLUTION, AS DESCRIBED IN, AND IN SUBSTANTIALLY THE FORM ATTACHED AS APPENDIX "D" TO, THE CIRCULAR:

FOR ☐ AGAINST ☒

WHITE

*NOTE: ALL REFERENCES TO THE TERMS "DIRECTORS" AND "CORPORATION" ON THIS VOTING INSTRUCTION FORM OR IN THE TELEPHONE INTEREST VOTING SYSTEMS SHOULD BE REPLACED BY THE TERMS (AS APPLICABLE) "TRUSTEES" AND "TRUST".
*NOTE: THIS VOTING INSTRUCTION FORM CONFERS DISCRETIONARY AUTHORITY TO VOTE ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.
*NOTE: THIS VOTING INSTRUCTION FORM SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR.

STEP 4 THIS DOCUMENT MUST BE SIGNED AND DATED

SIGNATURE(S) "INVALID IF NOT SIGNED"

M M D D Y Y

1234 5678 9012 3456



SILVER
BULLION TRUST

**DON'T LET THE OFFSHORE HEDGE FUND TAKE OVER YOUR SILVER – USING ONLY THE WHITE
PROXY, VOTE FOR SILVER BULLION'S BOARD NOMINEES, VOTE AGAINST THE POLAR PROPOSAL,
AND DISREGARD ANY PROXY MATERIALS RECEIVED FROM POLAR**



**If you have any questions or require any assistance in executing
your proxy or voting instruction form, please call D.F. King at**

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