

Sprott | Frequently Asked Questions for Central Fund of Canada Fund Shareholders

Who is Sprott?

- Sprott Asset Management LP (“Sprott”) is a global asset manager based in Toronto, Canada that provides investors with access to highly-differentiated precious metals and real assets investment strategies.
- Sprott’s offerings include unique physical bullion trusts, mining ETFs, actively managed equity strategies, as well as specialized private equity and debt strategies.

How does the Sprott Physical Gold and Silver Trust (the Trust) compare with the former Central Fund of Canada (CFCL)?

World-Class Physical Bullion Fund

- The new Trust is a highly-liquid, world-class bullion vehicle managed by a firm with a globally-recognized precious metals franchise.

Market Price Expected to Trade Closer to Net Asset Value

- Based on the historical trading of our physical bullion trusts, we expect that the market price of the Trust will trade more closely to the value of the underlying metals in contrast to the recent trading experience of CFCL .

Option to Redeem for Physical Metals*

- Investors in the new Trust have the option to redeem their units for physical bullion, as part of the physical redemption feature found in all of Sprott’s physical bullion trusts.

Lower Counterparty Risk

- The Trusts’ physical gold and silver bullion assets will be custodied by the Royal Canadian Mint (“Mint”) to minimize counterparty risk. The movement of gold and silver from the current storage provider to the Mint will commence immediately and will take several months to complete.

Greater Market Profile

- Unitholders in the Trust may benefit from Sprott’s significant ongoing marketing support to drive liquidity and interest in the Trust.

Do CFCL shareholders need to take any action?

- No. CFCL shares will be automatically converted to shares of the new Sprott Physical Gold and Silver Trust. All brokerage firms and dealers of record will update the name of the Fund in shareholder statements and accounts.

Is the transaction a taxable event for investors?

- No. The transaction is being implemented under the Business Corporations Act (Alberta) on a tax-deferred basis.

Where will units of the Sprott Physical Gold and Silver Trust be traded?

- Sprott Physical Gold and Silver Trust trades on the NYSE Arca under the symbol (CEF) and on the Toronto Stock Exchange under the symbols (CEF.A for Canadian dollars) and (CEF.U for U.S. dollars).

When will the Sprott Physical Gold and Silver Trust trade?

- Effective January 16, 2018, the Trust will trade on the NYSE Arca with the ticker symbol CEF and the Toronto Stock Exchange (TSX) with the ticker CEF.U.

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Will there be an option to own the Trust in Canadian dollars on the TSX?

- Yes. We expect trading in Canadian dollars will commence before the end of January 2018 with the ticker CEF.A.

Who can I contact for more information?

- Shareholders who have questions regarding Sprott are encouraged to visit www.sprott.com or contact us at bullion@sprott.com. You may also contact a member of the Sprott Team at **+1 888.622.1813**.

*Subject to minimum requirements



Important Disclosure

The risks associated with investing in a Trust depend on the securities and assets in which the Trust invests, based upon the Trust's particular objectives. There is no assurance that any Trust will achieve its investment objective, and its net asset value, yield and investment return will fluctuate from time to time with market conditions. There is no guarantee that the full amount of your original investment in a Trust will be returned to you. The Trusts are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer. Please read a Trust's prospectus before investing.

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Sprott Asset Management LP is the investment manager to the Sprott Physical Bullion Trusts (the "Trusts"). Important information about the Trusts, including the investment objectives and strategies, purchase options, applicable management fees, and expenses, is contained in the prospectus. Please read the document carefully before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication does not constitute an offer to sell or solicitation to purchase securities of the Trusts.

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