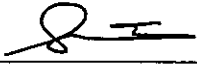


PFIC Annual Information Statement

- (1) This Information Statement applies to the taxable year of Sprott Physical Silver Trust ("SPST") beginning on January 1, 2011 and ending on December 31, 2011 (the "2011 Taxable Year").
- (2) A U.S. shareholder that has made or plans to make a "Qualified Electing Fund" ("QEF") election with respect to common shares of SPST ("SPST Common Shares") may determine its pro rata share of ordinary earnings and net capital gain, respectively, as provided below.
- (3) The following are the ordinary earnings and net capital gain amounts for SPST for the 2011 Taxable Year:
- | | |
|-----------------------------------|-----------------|
| a. Ordinary Earnings ¹ | _____ \$0 _____ |
| b. Net Capital Gain | _____ \$0 _____ |
- (4) The amount of cash and fair market value of other property distributed or deemed distributed during the 2011 Taxable Year is as follows:
- | | |
|---------------------------------|-----------------|
| a. Cash | _____ \$0 _____ |
| b. Property (fair market value) | _____ \$0 _____ |
- (5) SPST will permit U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by SPST to establish that SPST's ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholder's pro rata shares thereof.

Sprott Physical Silver Trust

By: 
Title: Chief Financial Officer
Date: January 27, 2012

¹ The term "ordinary earnings" means the excess of the earnings and profits of the QEF for the taxable year over its net capital gain for the same taxable year.