

## Important Tax Notice to U.S. Investors

**This statement is provided for shareholders who are United States persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.**

Sprott Physical Gold and Silver Trust (“Fund”) meets the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2018. The Fund is hereby making available the PFIC Annual Information Statement for the taxable year beginning on January 16, 2018 and ending on December 31, 2018 pursuant to the requirements of Treasury Regulations Section 1.1295-1(g)(1).

The PFIC Annual Information Statement contains information to enable you, should you choose, to elect to treat the Fund as a Qualified Electing Fund (“QEF”).

**A U.S. shareholder who makes a QEF election for the Fund is required annually to include in his or her income his or her pro rata share of the ordinary earnings and net capital gains for the Fund.** The QEF election is made by completing and attaching Form 8621 for each PFIC to your federal income tax return filed by the due date of the date of the return including extensions.

U.S. shareholders are advised to consult with their tax advisors with respect to the 2018 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

- Detailed information about PFICs and the QEF election: <http://www.irs.gov/instructions/i8621/ch01.html>
- Instructions to complete Form 8621: <http://www.irs.gov/pub/irs-pdf/i8621.pdf>
- Form 8621: <http://www.irs.gov/pub/irs-pdf/f8621.pdf>

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. U.S. TAX LAWS REGARDING PFICs ARE EXTREMELY COMPLEX AND SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THEIR RESPECTIVE INVESTMENT IN, AND OWNERSHIP OF SHARES OF THE FUND UNDER UNITED STATES FEDERAL, STATE, LOCAL, AND FOREIGN LAW.

## PFIC Annual Information Statement for the year ended 12/31/2018

- (1) This Information Statement applies to the taxable year of Sprott Physical Gold and Silver Trust (“Fund”) commencing on January 16, 2018 and ending on December 31, 2018.
- (2) The pro-rata per-unit per-day shares of the ordinary earnings [as defined by Internal Revenue Code Section 1293(e)] and net capital gains [as defined by Treas. Reg. Section 1.1293-1(a)(2)] of the Fund for the period specified in paragraph (1) and the per-unit distributions from the fund are provided in the following table:

Ordinary Earnings (US\$)	Net Capital Gains (US\$)	Cash/Property Distributions (US\$)
0.0000000000	0.0003762183	0.0000000000

To determine your pro-rata share of the amounts above, multiply the amounts by the number of units in the Fund multiplied by the number of days you held the units during the year.

*Example 1: On January 16, 2018 you acquired 1,000 units of the Fund which earned \$0.0000000000 of ordinary earnings per unit and \$0.0003762183 net capital gains per unit, and held them throughout the remainder of the year. Your pro-rata share of earnings and net capital gains would be US\$0.00 (i.e., 1,000 units x \$0.0000000000 x 350 days) and US\$131.68 (i.e., 1,000 units x \$0.0003762183 x 350 days) respectively.*

*Example 2: On July 1, 2018 you acquired 1,000 units of the Fund which earned \$0.0000000000 of ordinary earnings per unit and \$0.0003762183 net capital gains per unit, and held them throughout the remainder of the year. Your pro-rata share of earnings and net capital gains would be US\$0.00 (i.e., 1,000 units x \$0.0000000000 x 350 days) and US\$69.22 (i.e., 1,000 units x \$0.0003762183 x 184 days) respectively.*

- (3) No cash or other property was distributed to you the Fund during the year commencing on January 16, 2018 and ending on December 31, 2018.
- (4) The Fund will, upon receipt of request, permit the U.S. unitholder to inspect and copy its permanent books of account, records, and other such documents as may be maintained by such Fund to determine that their respective ordinary earnings and net capital gains under U.S. income tax principles, and to verify these amounts and the pro-rata shares thereof.

**Sprott Physical Gold and Silver Trust**

Signature:  \_\_\_\_\_

Title: Director \_\_\_\_\_

Date: February 28, 2019 \_\_\_\_\_