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## Reasons to Own Silver

**Sprott**  
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*"Industrial silver demand rose by 4% to another record of 680.5Moz (21,165 tonnes) in 2024. This was primarily driven by structural gains in the green economy flowing through from the photovoltaic (PV) and automotive sectors, as well as grid infrastructure development. Demand was also boosted by applications linked to artificial intelligence (AI), which contributed to growth in consumer electronic shipments."*

— The Silver Institute, World Silver Survey 2025

Headdresses worn by the Akha women of Southeast Asia are spectacular, and their style defines the age or marital status of the wearer. Silver coins are often used to decorate this unique head gear.

## Reasons to Own Silver

Silver has been used throughout the ages as a medium of exchange. Today, as governments continue to debase fiat currencies, silver's hard asset and store of value qualities offer a compelling alternative. Silver also has many industrial uses and is critical in manufacturing many of the technologies of tomorrow. This makes silver not just an attractive store of value, but one that stands to benefit alongside major technological shifts.

### 1 Silver is one of the world's oldest forms of currency.

Silver has been widely used as currency throughout history. Currency is a medium of exchange for goods and services, and historically it has represented physical money in the form of coins and paper. Silver's earliest known use in a currency was in the Mesopotamian Shekel nearly 5,000 years ago. Since then, silver has touched nearly every major civilization's currency.

### 2 Silver may be a great entry point for first-time precious metals investors.

Silver is often viewed as a suitable first option for investors looking to venture into the world of precious metals investing. Silver's lower relative price makes it a more accessible currency and savings vehicle for smaller transactions.

Silver, also known as "the people's money", is less expensive per ounce than other precious metals and shares many of the same desirable qualities. As shown in the table below, silver has traded at an average of \$20.10 per ounce over the past 10 years, far lower than the per ounce prices of gold, platinum or palladium.

Price per Ounce	Silver	Gold	Platinum	Palladium
10-YR Average	\$20.10	\$1,603.89	\$960.50	\$1,378.11
Current	\$28.90	\$2,624.50	\$907.55	\$912.63

Source: Bloomberg. Data is for the 10-YR period ended 12/31/2024. Prices reflect spot prices in USD. Silver measured by XAG Currency, Gold measured by GOLDS Comdty, Platinum measured by XPT Currency and Palladium measured by XPD Currency.

## American Silver Eagle



### First issued in 1986, American Silver Eagle 1-ounce coins are the best-selling silver coin in the world.

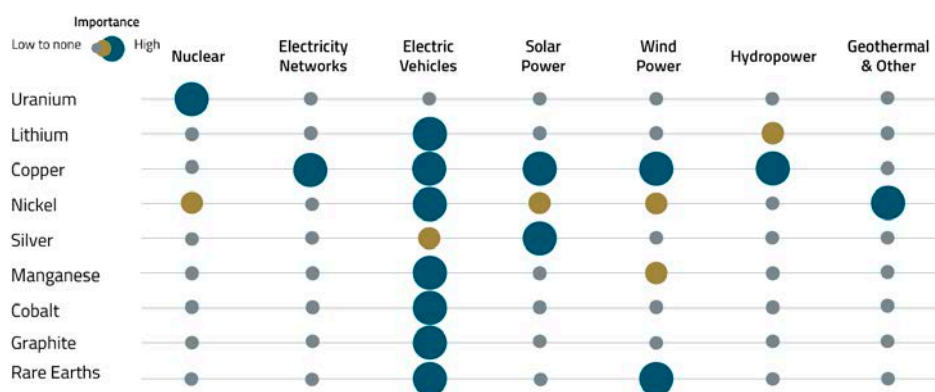
The American Silver Eagle is the official silver bullion coin of the United States of America. First released by the United States Mint on November 24, 1986. It is struck only in the one-troy ounce, which has a nominal face value of one dollar and is guaranteed to contain one troy ounce of 99.9% pure silver. Its content, weight and purity are certified by the United States Mint.

*"Silver is an interesting beast because it's not quite like gold, which mostly serves as a monetary/investment vehicle. Silver has two primary functions... industrial uses comprise half of the silver demand and investment uses claim the other half, including coins and bars, jewelry and silverware. Both sides of this story are quite positive for silver."*

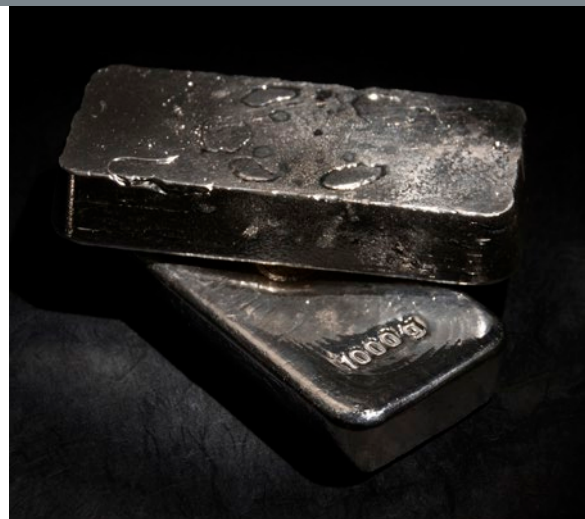
— Maria Smirnova, Senior Portfolio Manager, Sprott Inc.



## Silver is a Critical Mineral for the Global Energy Transition



Source: Critical raw materials for strategic technologies and sectors in the EU, a foresight study, European Commission, March 9, 2020; the role of critical minerals in clean energy transitions, IEA, May 2021; McKinsey analysis.



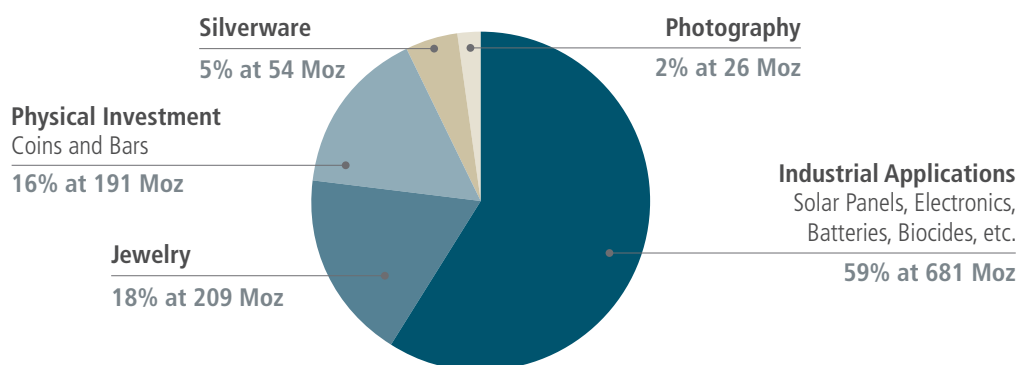
### 3 Industrial applications garner the most silver demand.

Silver (Ag) is a white metallic element that is resistant to corrosion, moisture and alkalis, and it is basically indestructible on a molecular level. Silver is moldable and malleable as well, making it ideal to create a variety of goods. Silver is the second most used commodity on earth, lagging behind only oil.\*

In 2024, industrial silver demand rose 4%, reaching another record high of 680.5Moz (21,165t), driven primarily by structural gains in the green economy from the photovoltaic and automotive sectors, as well as grid infrastructure development; industrial applications totaled 59% of demand. By comparison, coins and bars for investment, jewelry, silverware and photography combined account for 41% of demand. Demand was also boosted by artificial intelligence (AI) applications, which contributed to consumer electronics shipments growth. The white metal's unique properties make it nearly impossible to substitute and its uses span a wide range of applications. For example, silver is used in many industrial applications, from electrical switches and solar panels to chemical-producing catalysts, and is critical in new innovations helping to build a clean-energy future. Silver is a highly useful commodity with a steady demand stream.

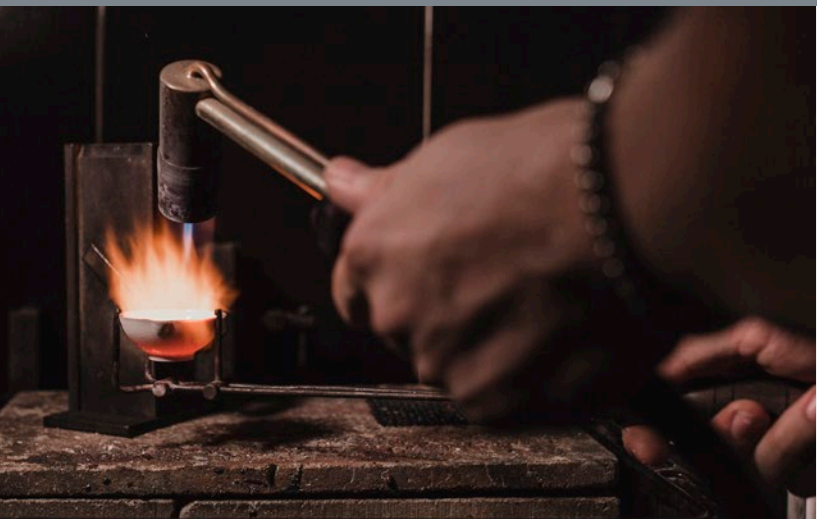
\*Source: SD Bullion.

#### Industrial Uses Dominate Silver Demand




Source: GFMS Refinitiv, Metals Focus, Silver Institute, UBS. Data as of 12/31/2024.

### An Industrial Metal



Silver is second only to oil as the most widely used commodity and has more than 10,000 uses due to its unique characteristics, including:

- Most reflective of all the metals
- Good conductor of heat and electricity
- Strongly resists corrosion and oxidation
- Second most malleable and tactile next to gold
- Antibacterial and antimicrobial properties



*"The continued growth of electricity demand, renewable energy aspirations and falling costs all point to rising solar power penetration in the foreseeable future, with some projections of silver demand growing 85% to ~185 million ounces in 10 years."*

– BMO Capital Markets

## Silver Attributes



### What makes silver useful in electric vehicles?

Silver makes electric vehicles (EVs) more efficient. In an electric vehicle, silver is used to establish lightweight but strong electrical connections between the batteries and other car components. This helps EVs maximize battery capacity and reduce weight, which helps vehicles to achieve greater mileage.



### Why is silver used in solar panels?

Silver helps solar panels maximize efficiency. Within a photovoltaic cell, silver paste is used to capture the electrons produced from sunlight striking cells. Being such a strong conductor of electricity, silver is the most effective metal for this job.

## 4 Silver plays an integral role in technology, especially innovations critical to fostering a more environmentally-friendly future.

	Silver's Role	Current	Future
<b>Electric Vehicles</b>	Battery electric vehicles use between 25 and 50 grams of silver per vehicle.  Note: 28 grams is equal to 1 ounce; 35,274 ounces is equal to 1 metric ton (tonne).	2024 was a record year for electric vehicle car sales, with over 17 million sold. China continues to be the largest EV market accounting for 11 million units in 2024, a 40% increase over 2023.  Source: Rho Motion.	Electric vehicle car sales for 2025 are forecast to reach over 20 million, an approximate 18% increase. China will continue to lead the way with an expected 12.9 million units purchased during 2025.  Source: Rho Motion.
<b>Solar Panels</b>	The average solar panel uses 20 grams of silver.	Solar panels continue to experience exponential efficiency improvements, garnering growing adoption.	The U.S. solar industry predicts installations of solar panels will quadruple by 2030.
<b>Cell Phones</b>	The average cell phone contains 0.34 grams of silver.	Worldwide smartphone mobile network subscriptions reached nearly 9.1 billion by the end of 2024.  Source: Statista.	The global number of smartphone users was forecast to continuously increase between 2024 and 2029 by a total of 1.8 billion users (+42.62%).  Source: Statista.
<b>Medicine</b>	While silver has been used for over six millennia to prevent microbial infections, silver is playing a growing role in the medical field.	Silver is being placed within artificial bones, ointments, bandages, breathing tubes, surgical equipment and even in everyday items within healthcare facilities such as door knobs and furniture. Silver has also shown promising effectiveness in combating antibiotic-resistant bacteria, such as MRSA (Methicillin-resistant Staphylococcus aureus).	Rapidly growing populations in third-world countries coupled with aging populations in the west present a need for increasing and more effective medical technology. Silver may play a critical role in combating against the pathogens of tomorrow where antibiotics and existing technologies may fall short.

Sources: Wood MacKenzie, Rho Motion, Statista, BBC, the Silver Institute & IEA.



### What makes silver useful in electronics?

Silver is the most conductive metal in existence and is highly ductile. Just one ounce of silver, is capable of stretching into a wire 1.5 miles long and while being able to conduct large amounts of electricity. These qualities are highly useful in technology, especially those which are small and compact, such as cell phones and wearable technology.



### Why is silver useful in the medical field?

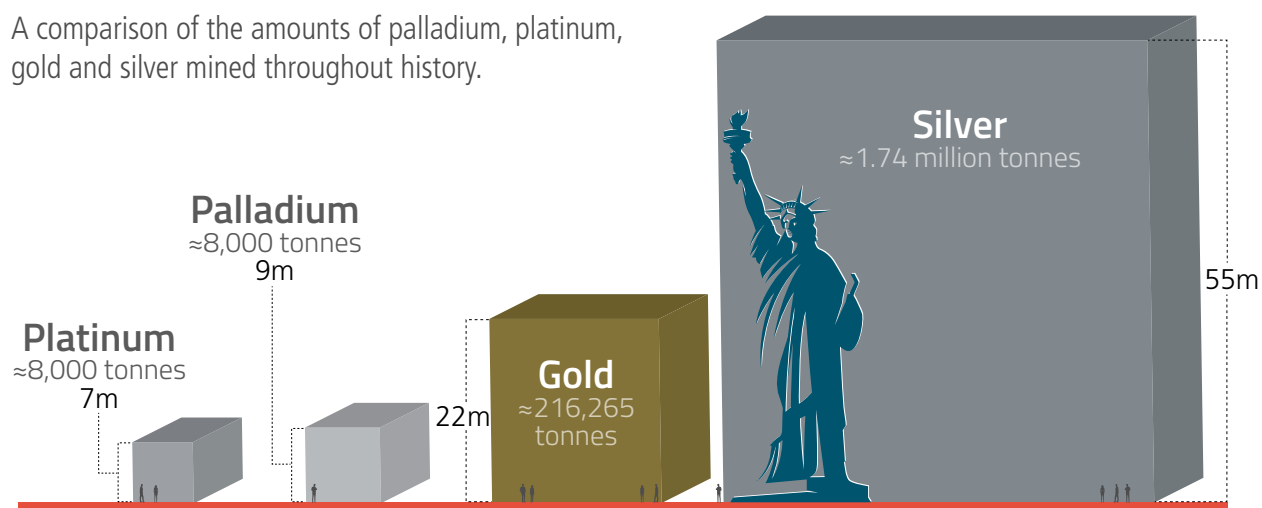
Silver is antibacterial, antiviral and antifungal, and can destroy more than 650 different pathogens. Silver ions can penetrate and destroy bacterial and viral cell walls without injuring human cells. This makes silver highly effective in a number of medical applications.

*"Silver plays a critical role in all energy transition discussions."*

— Maria Smirnova, Senior Portfolio Manager, Sprott Inc.

## How Much Silver Has Been Mined?

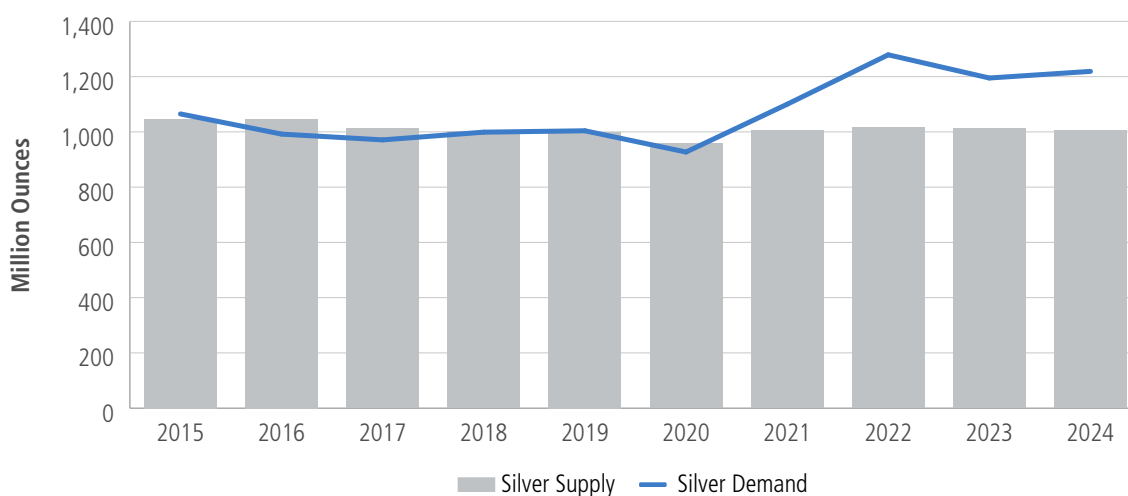
A comparison of the amounts of palladium, platinum, gold and silver mined throughout history.



Sources: Best available data as of 12/31/2024. USGS, <https://www.usgs.gov/faqs/how-much-silver-has-been-found-world>. The World Gold Council, <https://www.gold.org/goldhub/data/howmuch-gold>. Note: "m" refers to meters. For instance, approximately 216,265 tonnes of gold would fit inside a cube 22 meters in length, width and height. This diagram is for illustration purposes only.

## 5 Silver's supply deficit and rising demand support silver prices.

The global silver market experienced its fourth consecutive year of physical supply deficit in 2024, in the face of growing demand. We believe this ongoing silver shortage provides a strong floor for silver prices. Industrial applications, particularly in green technologies, are driving silver consumption to record highs. The photovoltaic sector, automotive industry and electronics are major contributors to this growth. Industrial demand is expected to reach over 700 million ounces in 2024, a new all-time high.



Source: <https://silverinstitute.org/silver-supply-demand/>. Data as of 12/31/2024.

## 6 Silver is a physical asset which cannot be hacked, erased or inflated away.

Silver has served as a critical store of value and medium of exchange for millennia due to its fixed supply, broad adoption and safe haven quality. While fiat currencies, such as the U.S. dollar, are widely used and offer price stability, they do not have a fixed supply and can be printed at the will of governments. An increasing money supply means that over the long-term, fiat currencies may lose purchasing power relative to inflation.

### Critical Minerals Across Three Functions: Generation, Transmission, Storage

#### GENERATION

Uranium  
Silver  
Rare Earths



#### TRANSMISSION

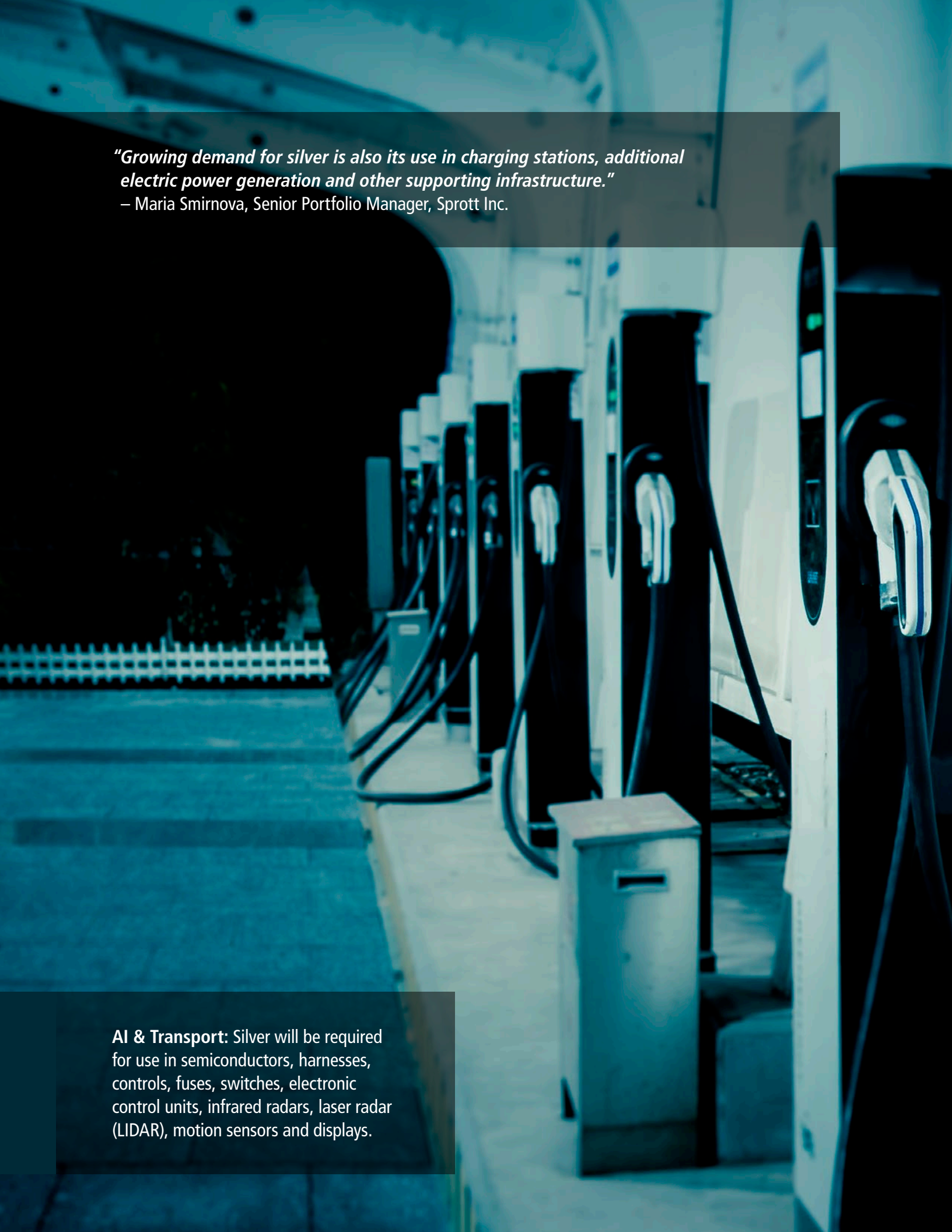
Copper



#### STORAGE

Lithium  
Nickel  
Manganese  
Cobalt  
Graphite





*"Growing demand for silver is also its use in charging stations, additional electric power generation and other supporting infrastructure."*

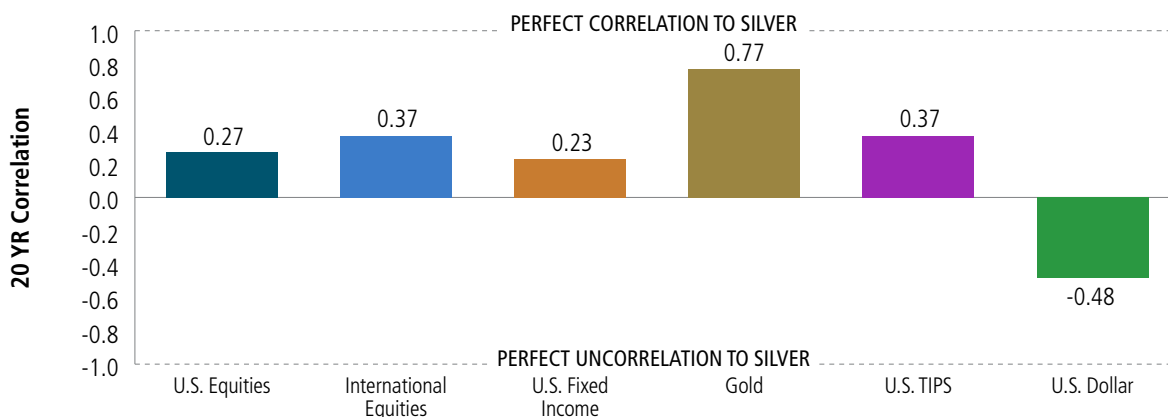
– Maria Smirnova, Senior Portfolio Manager, Sprott Inc.

**AI & Transport:** Silver will be required for use in semiconductors, harnesses, controls, fuses, switches, electronic control units, infrared radars, laser radar (LIDAR), motion sensors and displays.

## 7 Silver has a low correlation to other asset classes.

Many major asset classes are highly correlated, which means that they tend to move in the same direction at the same time. This is because many assets, like stocks, real estate or commodities, all tend to rise and fall with economic performance and investor sentiment. The price of silver is driven by different factors than many major assets, leading to a low correlation.\* In other words, silver's performance moves independently and may help serve as a return diversifier within a broader multi-asset portfolio.

### Silver's Correlation to Other Assets



\*A correlation of 1.00 indicates perfect correlation. Numbers below 1 indicate that the asset class is not fully correlated and will not move in tandem with silver. The lower the number, the lower the correlation.

Source: Bloomberg. Period reflects the past 20 years: 12/31/2004 to 12/31/2024. Silver is measured by the XAG Currency Index; U.S. Equities are measured by the S&P 500 Index (SPX); International Equities are measured by the MSCI EAFE (MXEA Index); U.S. Fixed Income is measured by the LBUSTRUU Index; Gold is measured by the GOLDS Comdty; U.S. TIPS are measured by the LBUTTRUU Index; and the U.S. Dollar is measured by the DXY Currency.

## 8 Silver is inexpensive relative to gold.

The gold/silver ratio has been a long used method to determine the relative value between gold and silver. Because gold and silver share many of the same investment qualities, investors either tend to hold both or use them interchangeably. Currently, gold is trading at a premium to silver and is well-above the long-term average, which tends to be around 67—which means that gold generally trades at 67 times the cost of silver. This gives silver a compelling value relative to gold.



Source: Bloomberg. Data as of 12/31/2024. The gold/silver ratio is a measure that indicates how many ounces of silver are needed to purchase one ounce of gold. It is calculated by dividing the current spot price of gold by the current spot price of silver. The silver spot price is measured by the Silver Spot USD/Troy Ounce. You cannot invest directly in an index. Past performance is no guarantee of future results.



*"Two generations are meeting. Traditional silver stackers, who have been accumulating silver bullion for decades, are getting together with young millennials."*

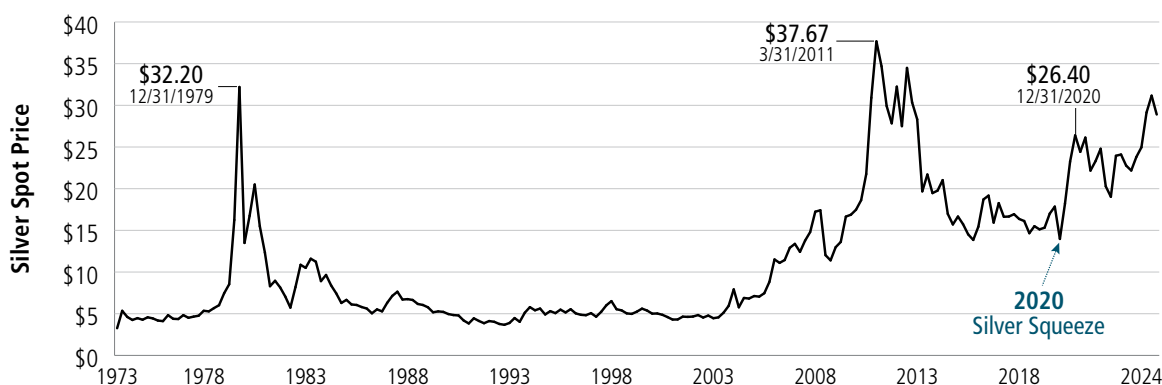
— J Rotbart & Co.

**Did You Know?** Silver iodide has been used to make clouds produce rain in an attempt to control hurricanes.

## 9 Silver has been attracting new investors.

A common perception is that precious metals investors tend to be conservative, looking to preserve accumulated wealth and hedge against certain market risks. While silver also has these investors, it has recently garnered a unique and much different type of investor. In 2020, the phrase #silversqueeze hit the press as retail investors from Reddit and Twitter piled into the metal in an attempt to push up prices. We believe the #silversqueeze community may be the proverbial “silver bugs” of the younger generation.

### Silver Prices Past 50 Years (1973-2024)



Source: Bloomberg as of 12/31/2024. Silver price measured by XAG Curncy, monthly data.

## 10 Silver may be a strong complement to gold.

There have been times throughout history where precious metals have performed well, namely during periods of fiat currency debasement, excessive money printing and inflation. For those investors with a strong conviction, adding silver alongside gold may help boost returns. Over precious metals bull markets, silver has produced 2.0x the returns of gold, on average.

Precious Metals Rallies	Time Period	Silver Performance	Gold Performance	Silver/Gold Performance
Russia-Ukraine War/Israel-Hamas War	2022-2024	74.07%	53.92%	1.4x
Post-COVID Reflation	2020-2022	143.13%	40.26%	3.6x
2019 Monetary Easing	2018-2019	39.99%	43.12%	0.9x
GFC and Era of Quantitative Easing	2007-2012	440.74%	166.79%	2.6x
Pre-GFC Commodity Boom	2001-2008	412.68%	292.45%	1.4x
1970s Inflationary Era	1974-1980	1,418.73%	721.26%	2.0x
<b>Average</b>		<b>421.56%</b>	<b>219.63%</b>	<b>2.0x</b>

Source Bloomberg. Data as of 12/31/2024. Silver reflects Silver Spot Price (XAG CURRENCY). Gold reflects Gold Spot Price (GOLDS COMDTY). Measures the percent change between silver and gold's respective lows and highs during each period.



Silver can occur naturally in its pure, native form in the right conditions. In this image, untarnished native silver is seen along with calcite and quartz minerals in a hydrothermal ore system.

## Ways to Invest in Silver

Investors have a number of options for gaining exposure to silver and other precious metals – bars and coins, ETFs, closed-end funds, precious metals certificates and digital precious metals. Sprott offers several physical bullion investment options. The Sprott Physical Bullion Trusts provide liquidity, convenience and cost efficiency of exchange-traded funds along with a number of compelling advantages which include the ability to redeem for physical metal<sup>1</sup>, the potential for more favorable tax treatment for U.S. investors<sup>2</sup> and lower counterparty risk by not storing the metals with a non-corporate U.S. bullion bank.



*Listed on NYSE Arca<sup>3</sup> and TSX.*

<sup>1</sup> Subject to certain minimums.

<sup>2</sup> For more information, please see "Tax Considerations-U.S. Federal Income Tax Considerations" in the Prospectus and always consult your tax accountant regarding your particular situation.

<sup>3</sup> The Trusts are closed-end funds established under the laws of the Province of Ontario in Canada and are available to U.S. investors by way of listings on the NYSE Arca pursuant to the U.S. Securities Exchange Act of 1934. The Trusts are not registered as investment companies under the U.S. Investment Company Act of 1940.

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The Trusts are generally exposed to the multiple risks that have been identified and described in each Trust's prospectus. Please refer to the prospectus for a description of these risks and read it carefully. Relative to other sectors, precious metals and natural resources investments have higher headline risk and are more sensitive to changes in economic data, political or regulatory events, and underlying commodity price fluctuations. Risks related to extraction, storage and liquidity should also be considered.

Past performance is not an indication of future results. The information provided is general in nature and is provided with the understanding that it may not be relied upon as, nor considered to be tax, legal, accounting or professional advice. Readers should consult with their own accountants and/or lawyers for advice on their specific circumstances before taking any action. Sprott Asset Management LP is the investment manager to the Trusts.

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Visit **Sprott Education**

Sprott Inc.  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2600  
Toronto, Ontario M5J 2J1, Canada  
Toll Free: 888.622.1813  
**www.sprott.com**

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## IMPORTANT DISCLOSURE

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Gold and precious metals are referred to with terms of art like store of value, safe haven and safe asset. These terms should not be construed to guarantee any form of investment safety. While "safe" assets like gold, Treasuries, money market funds and cash generally do not carry a high risk of loss relative to other asset classes, any asset may lose value, which may involve the complete loss of invested principal.

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